Real Estate Investment Trusts

BUS417 Group 6

Fall 2024




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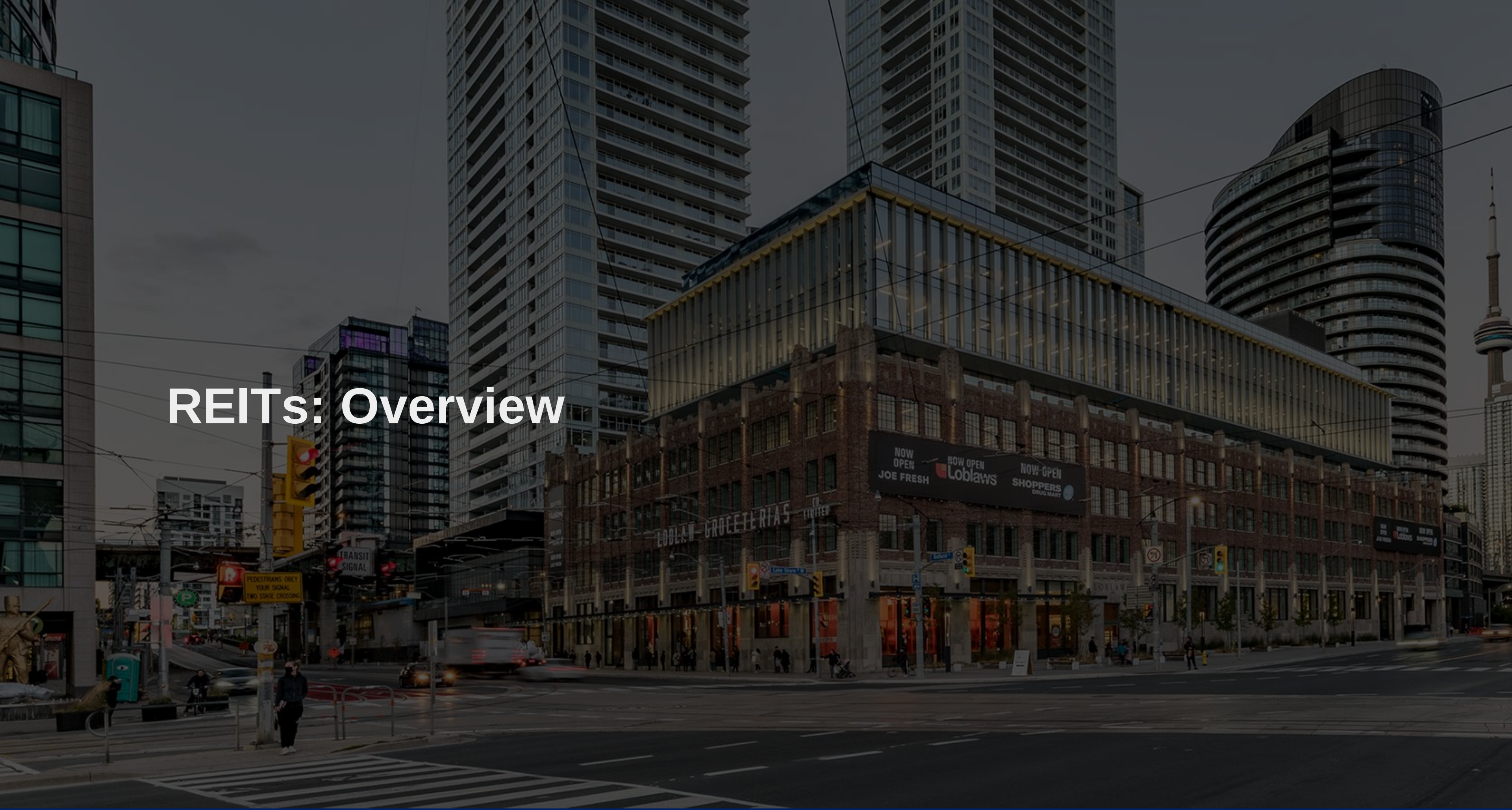
REITs: Overview



What are **REITs?**

By definition:

- REIT: **R**eal **E**state **I**nvestment **T**rusts
- A company that owns and operates, income-producing real estate
- Modeled after a mutual fund
- Majority of Taxable income is paid out to investors through distributions
  - Investors receive high dividend yield
- Must primarily own or finance real estate
- Widely held by shareholders
- Long-term investment horizon & capital appreciation

The Beginning

- Thomas J. Broyhill
- Cousin of Virginia U.S. Congressman Joel Broyhill
- Founded the first ever REIT: American Realty Trust

REITS Timeline

1960
REIT were created when President Eisenhower signs Cigar Excise Tax Extension. The National Association of Real Estate Investment Funds incorporated on Sept 15

1965
Continental Mortgage Investors becomes the first REIT to be listed on the New York Stock Exchange

1972
NAREIT REIT Index debuts as the first REIT Index available to investors

1976
President Ford signs first package of REIT simplification amendments, allowing REITs to be established as corporations in addition to business trusts

1986
President Reagan signs Tax Reform Act → prevent taxpayers from using partnerships to shelter earnings from other sources and REITs to be internally advised and managed

1991
NAREIT Adopts FFO

REITS Timeline

1993

First Canadian REIT, Real Fund, emerged

2000

First real index fund, iShares Dow Jones Real Estate Index Fund was formed

2001

S&P added REITs to its indexes
Launched Global Real Estate Index

2009

FTSE, NAREIT, & EPRA announced the addition of REITs & listed property companies in emerging markets to Global Real Estate Index

2014

Paramount launched the largest REIT IPO to date for $2.3 billion USD

2016

June 2016, equity market capitalization of publicly traded REITS passed $1 trillion mark for the first time.
Real Estate became a new GICS sector.

How Reits Operate

Adapted from Seeking Alpha

Types of REITS

Equity REITS

Companies own and operate income-producing real estate. Revenue is generated through rental income through leasing space. Income is distributed as dividends to shareholders.

Mortgage REITS

Companies provide financing to income-producing real estate by purchasing mortgages and MBS. Revenue from Net Interest Margin. Exposed to interest rate risk and credit risk

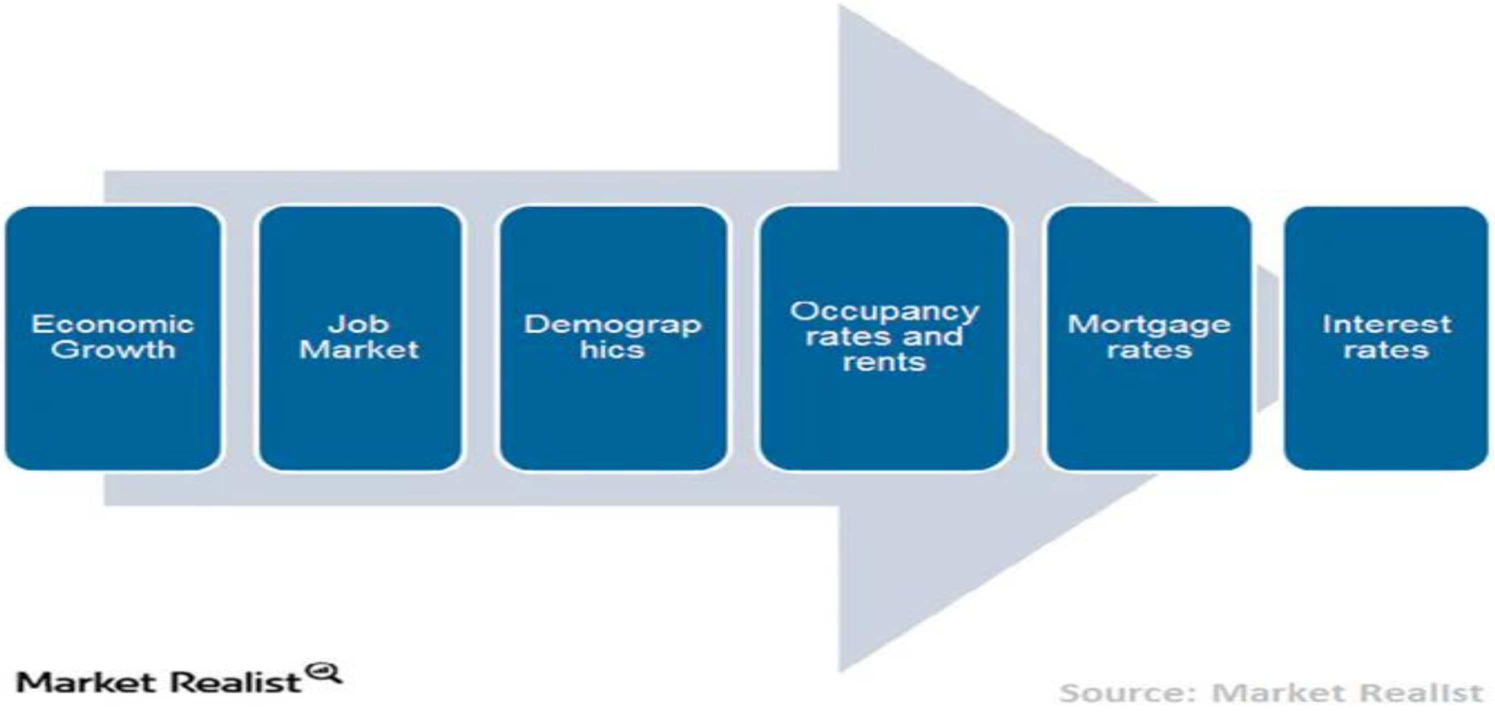
Hybrid REITS

Combination of Equity and Mortgage REITs. Companies own real estate and mortgages/MBS. Earn income both rental income and interest income.

How to purchase REITs

Publicly Traded	Non - Exchange Traded	Private
Traded on stock exchange like regular stock and registered with SEC. They are easy to buy and sell and have great liquidity.	Registered with SEC but do not trade on any public exchanges. They have private sponsors who market to investors. Relatively stable but illiquid compared to publicly-traded REITS	These are neither traded on stock exchanges or registered with SEC therefore not subject to same disclosure requirements as other types. Illiquid compared to other types

Factors Driving REIT Earnings



REITs: Investment Advantages

01 **Competitive long-term performance:** REITs have provided long-term total returns similar to those of other stocks.

02 **Substantial, stable dividends yields:** REITs' dividend yields historically have produced a steady stream of income through a variety of market conditions.

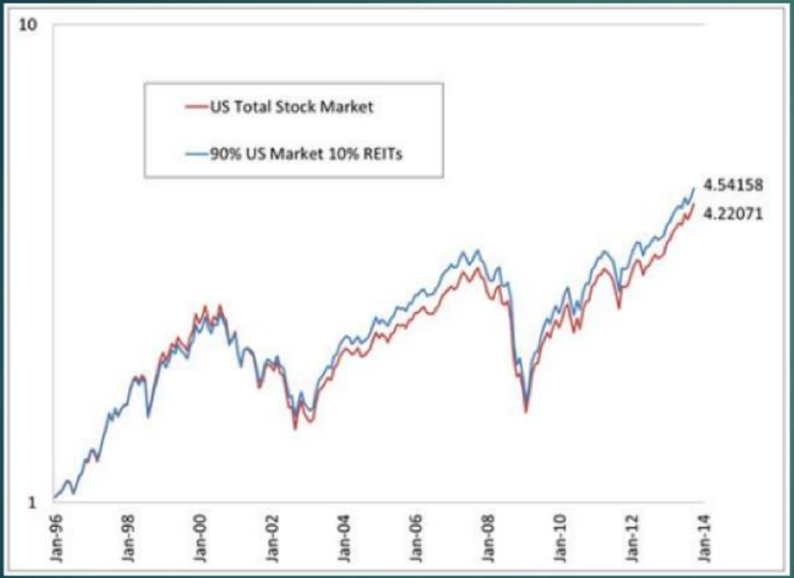
03 **Liquidity:** Shares of publicly listed REITs are readily traded on the major stock exchanges.

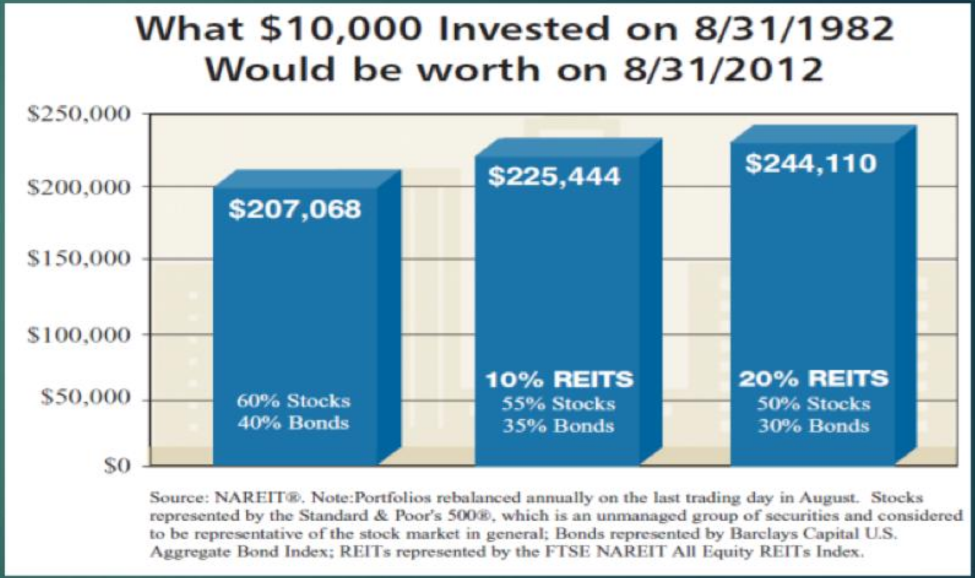
04 **Transparency:** Independent directors, analysts, auditors, as well as the business and financial media monitor listed REITs' performances and outlook. This oversight provides investors with a measure of protection and more than one barometer of a REIT's financial condition.

05 **Portfolio diversification:** REITs offer access to the real estate market typically with low correlation with other stocks and bonds.

Benefits of Diversification

Benefits of Diversification





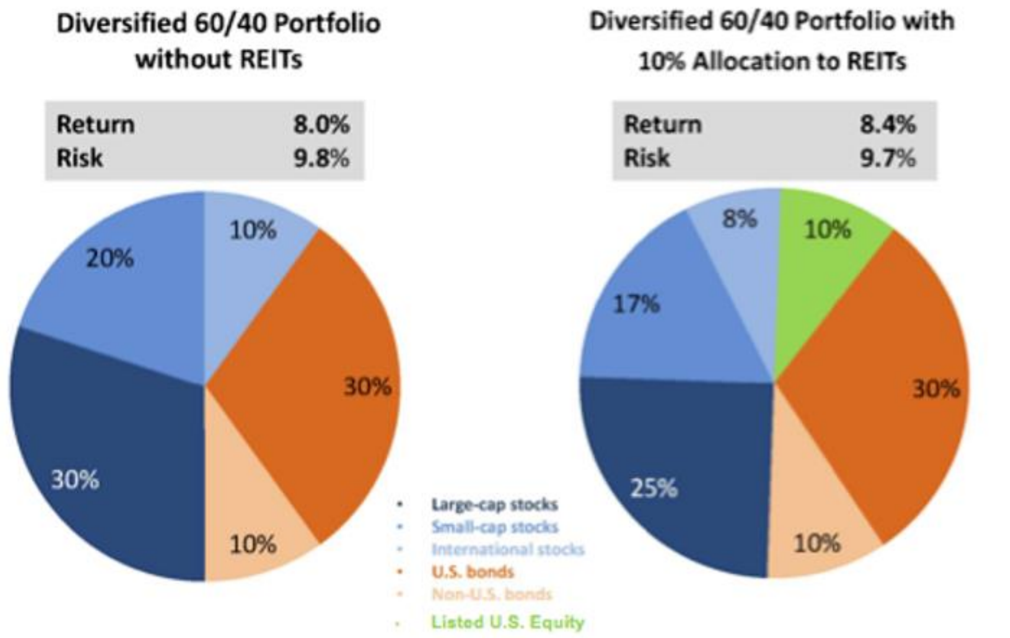
http://www.forbes.com/sites/rickferri/2014/01/07/reits-and-your-portfolio/

Benefits of Diversification

Top 3 Returning Asset Classes

2019	2020	2021	2022	2023
Lg Cap 31.5%	Sm Cap 20.0%	REIT 41.3%	Cash 1.6%	Lg Cap 26.3%
REIT 28.7%	EM 18.7%	Lg Cap 28.7%	HY Bnd -11.2%	Int'l 18.9%
Sm Cap 25.5%	Lg Cap 18.4%	Sm Cap 14.8%	HG Bnd -13.0%	Sm Cap 16.9%

Abbr.	Asset Class – Index
Lg Cap	Large Cap Stocks – S&P 500 Index
Sm Cap	Small Cap Stocks – Russell 2000 Index
Int'l Stk	International Developed Stocks – MSCI EAFE Index
EM	EM Stocks – MSCI Emerging Markets Index
REIT	REITs – FTSE NAREIT All Equity Index
HG Bnd	High Grade Bonds – Bloomberg Barclays U.S. Agg Index
HY Bnd	High Yield Bonds – ICE BofA US High Yield Index
Cash	Cash – S&P U.S. Treasury Bill 0-3 Mth Index



Risks of Investing in REITs

01 **Slower Growth:** REITs can only reinvest at most 5-15% of annual profits back into core business each year

02 **May rely on Debt:** High dividend payout may force management to go for leverage to expand real estate holdings

03 **Real Estate Cyclical Business:** Cyclical downturns in the real estate market could make REITs business unstable in turn income stream is not guaranteed

04 **Tax Treatment:** Investors have to pay income tax on annual dividends and investors in higher tax bracket may be at a disadvantage

05 **Risk of Property Tax Increase:** State and municipal authorities have the right to increase property taxes to increase budget revenue

Globalization

Global REIT

Global Evolution of REIT

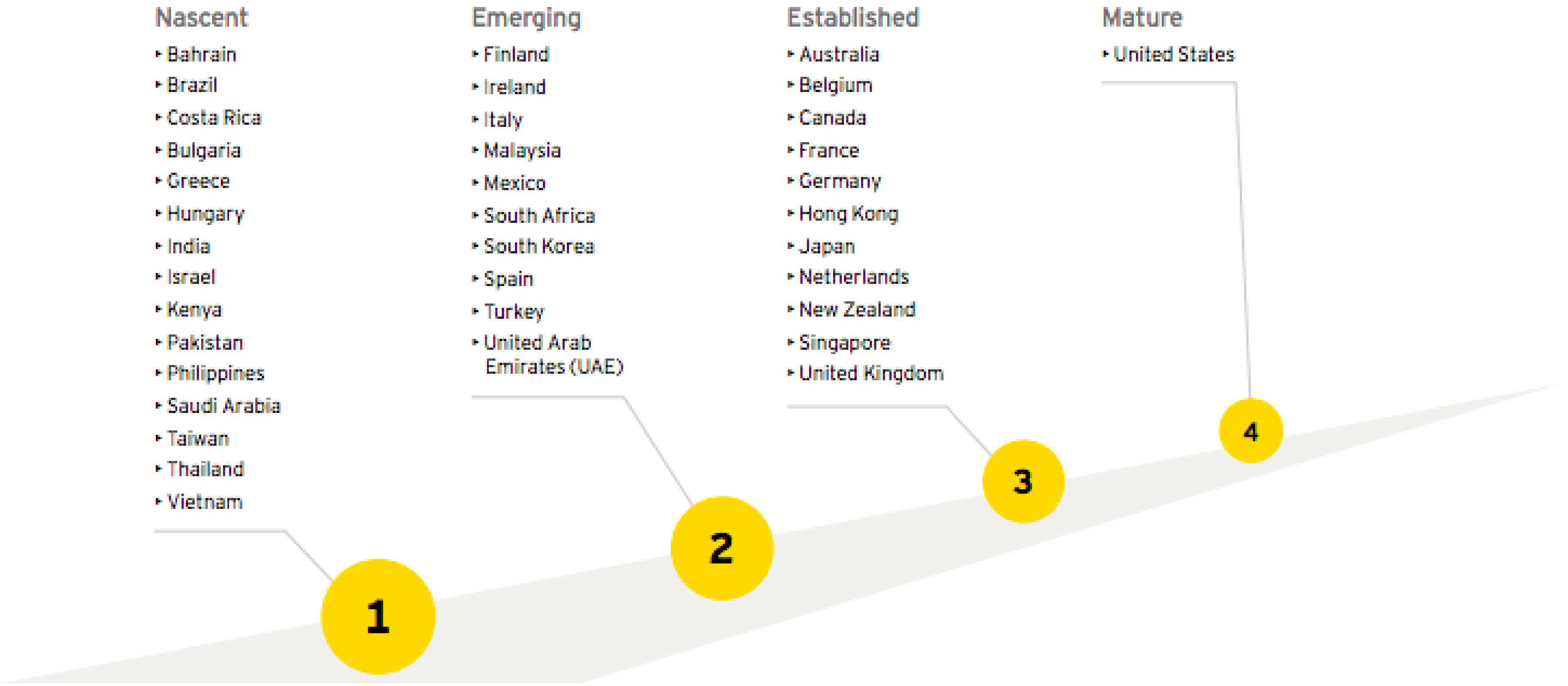
1960-70	1971-80	1991-2000	2001-10	2011-2015	Under consideration
USA	Australia	Canada	South Korea	Hungary	China
Netherlands		Belgium	France	Ireland	India
New Zealand		Turkey	Hong Kong	South Africa	Indonesia
Taiwan		Singapore	Bulgaria	Kenya	Nigeria
		Japan	Malaysia	Bahrain	Vietnam
			Thailand	Saudi Arabia	
			Dubai		
			Israel		
			Germany		
			Italy		
			UK		
			Pakistan		
			Finland		
			Spain		
			Mexico		
			Philippines		

Market Realist

Source: NAREIT

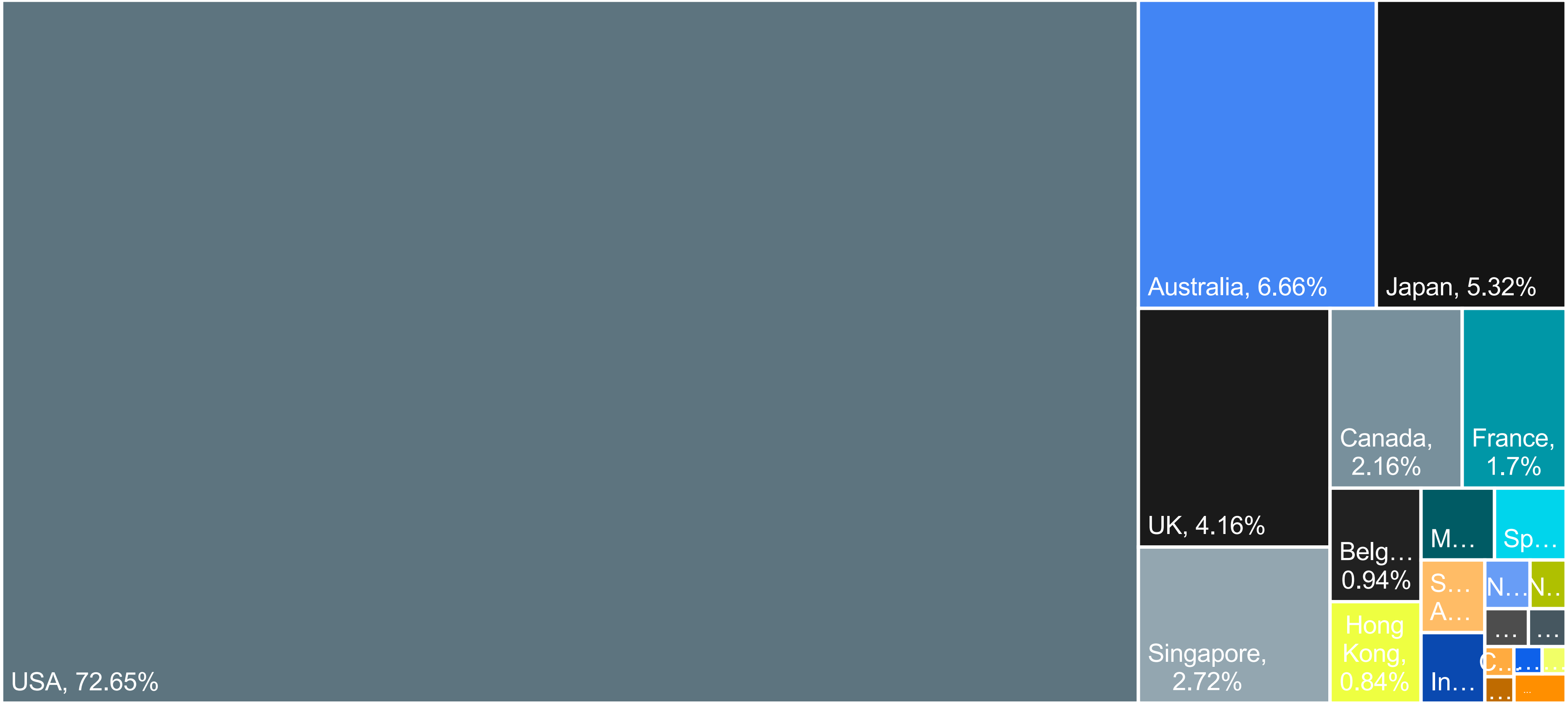
Stages of REIT regime maturity

Figure 1: Stages of REIT regime maturity



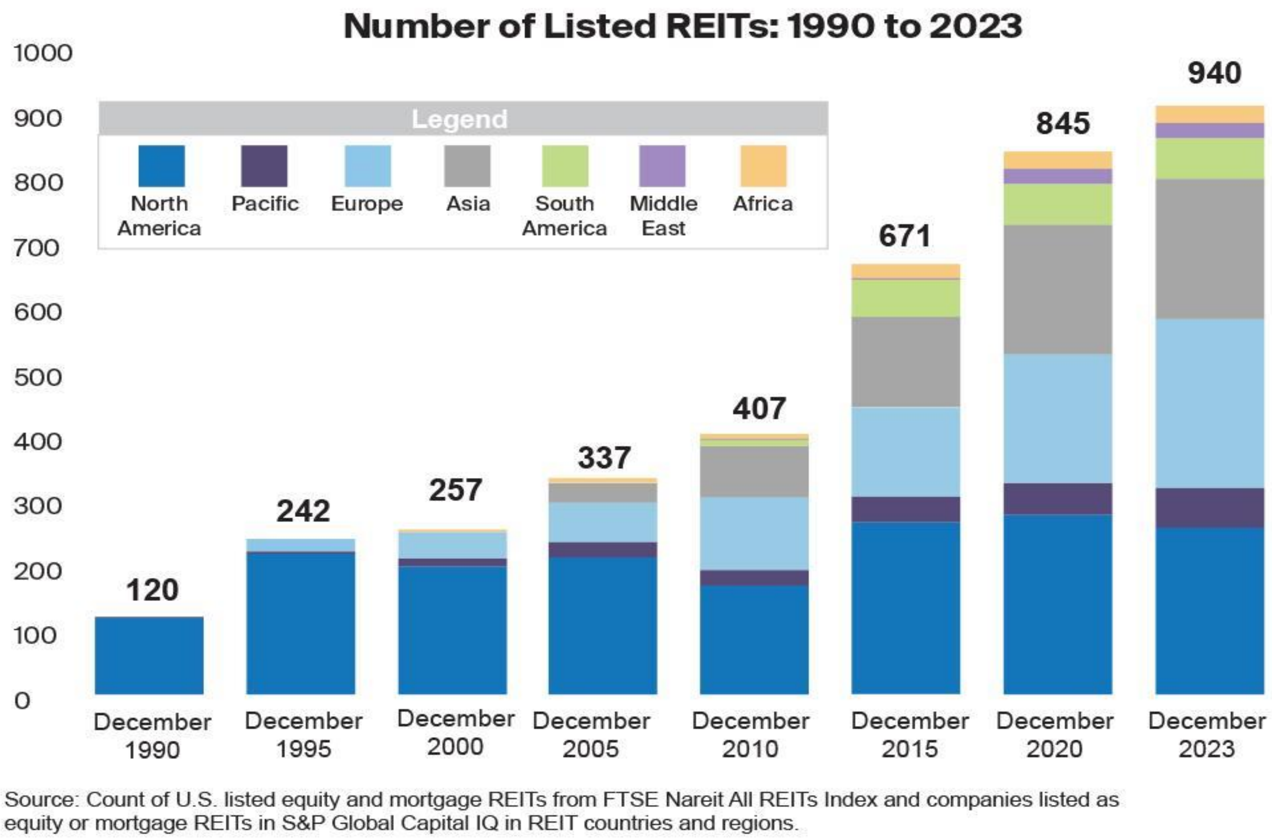
REITs Growth by Country

REITs Market Capitalization by Country

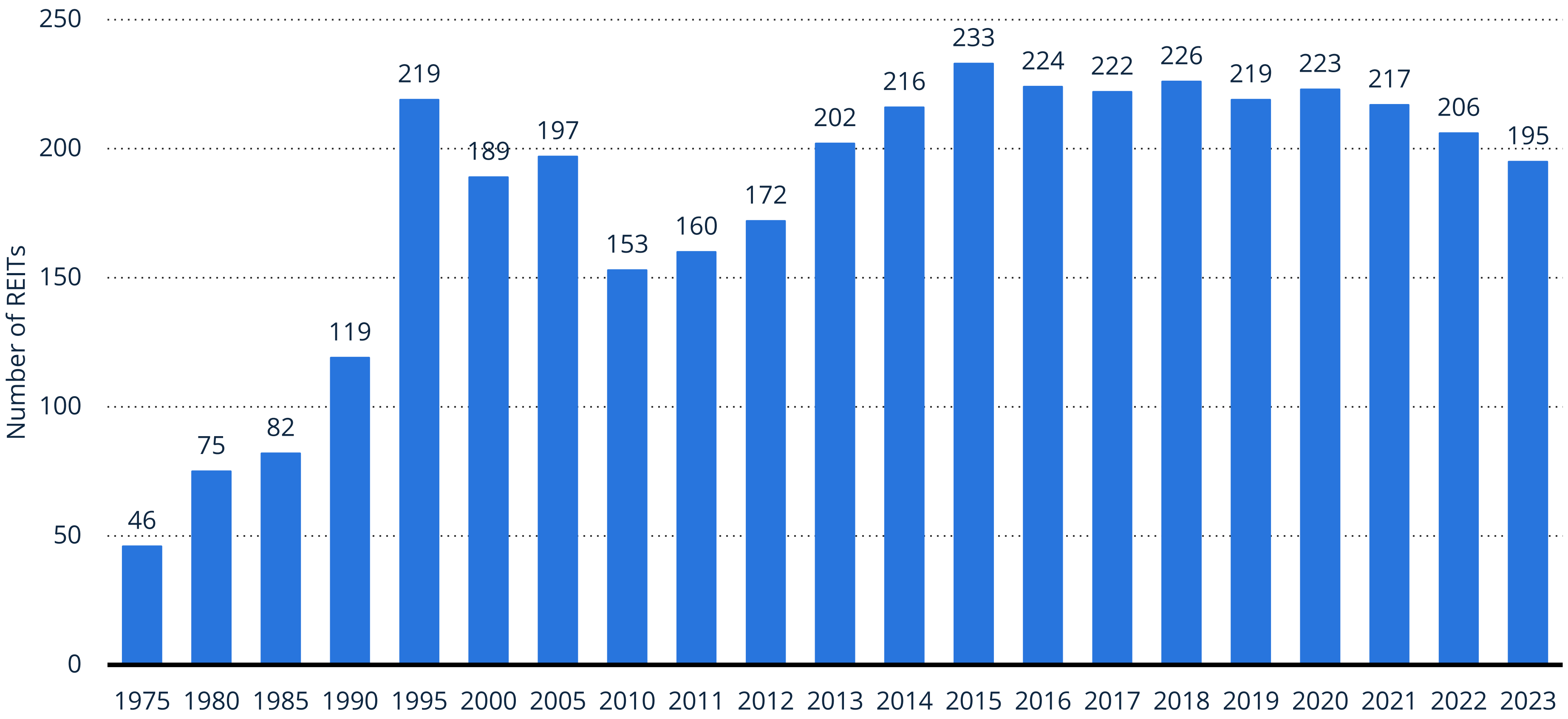


Source: FTSE Russell, Oct 31, 2024

REITS worldwide



Number of REITS in USA



REIT Worldwide - Key Geographies

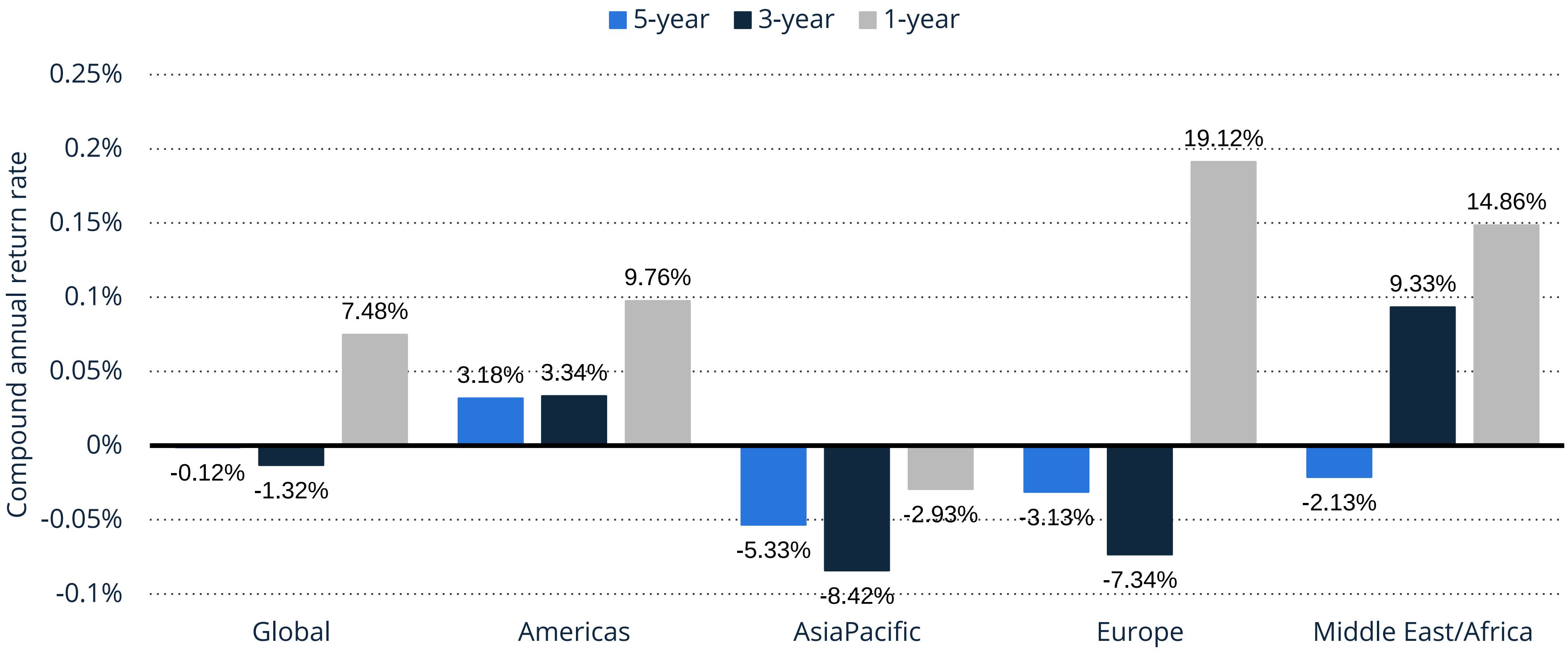
Particulars	Singapore	United Kingdom	United States
Capital requirements	Minimum capitalisation of SGD 300 million	No capital requirement	No capital requirement
Listing requirements	Listing required for tax concessions	Mandatory listing	No listing requirement
Minimum number of investors	REIT denominated in SGD – 25% of share capital to be held by min 500 subscribers.	35% public float	At least 100 shareholders. Further five or few individuals cannot hold > 50%
Non-resident investor	Permitted to invest	Permitted to invest	Permitted to invest
Foreign assets	Investment permitted	Investment permitted	Investment permitted subject to conditions
Distribution requirement	To avail tax concession 90% of taxable income to be distributed	At least 90% of rental profits to be distributed	At least 90% of taxable income to be distributed

Source: Deloitte analysis basis secondary research (the information above is not from primary source therefore requires sign off from respective jurisdiction experts)

Comparison of REIT Rules

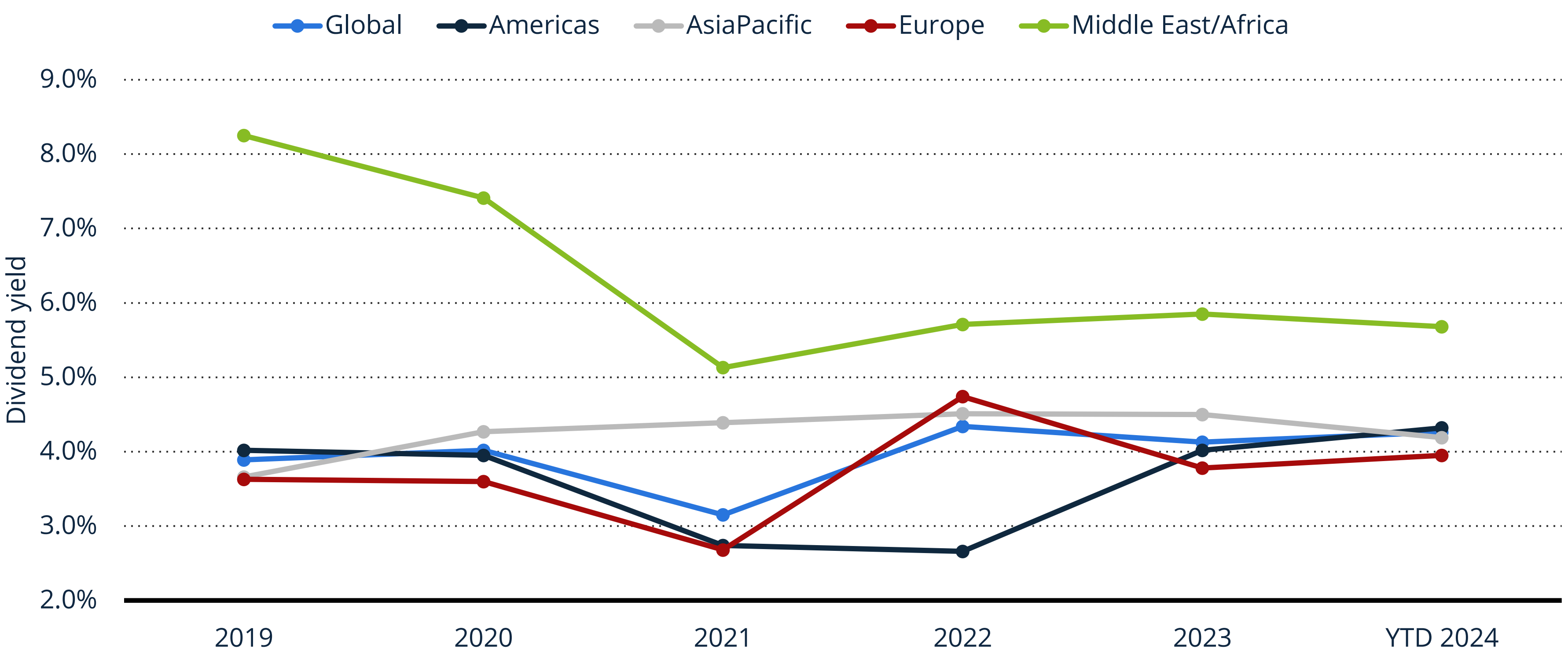
	U.S.	Australia	Netherlands	Canada	Belgium	Singapore	Japan	France	UK
Management	Either	Either	Internal	Internal	Either	External	External	Either	Either
	Investment Restrictions								
Real estate investments	75%+	50%+ of rev from rent	100%	80%+	100%	70%+	75%+	Flexible	75%+
Overseas investments	OK	OK	OK	OK	Prohibited	OK	OK	OK	OK
Development	OK	OK	Minimal	OK	Minimal	20% of total assets	OK (50%+ assets must be income-producing)	OK	OK
Gearing Limit	None	None	60% property assets	None	50% of total assets	35% of total assets	None	None	DSCR: 1.25
Payout	90% of taxable income (post depreciation)	100% of taxable income (post depreciation)	100% of fiscal earnings	85% of distributable cash (pre-depreciation)	80% of taxable income and net debt paydown	100% of taxable income (no depreciation)	90% of taxable income (post depreciation)	85% of taxable income from rentals, 50% of capital gains	90%+ of taxable income (post depreciation)
Closed ended	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Listed/ unlisted	Both	Both	Both	Listed	Listed	Listed	Listed	Listed	Listed
Tax transparency	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes+

Return rate of Global Real Estate Index by region



Description: The FTSE EPRA/Nareit Global Real Estate Index saw positive one-year return rates in all regions except in Asia-Pacific as of April 11, 2024. Worldwide, the index grew by 7.48 percent in one year. Nevertheless, the five-year return was negative at - percent. The Americas was the only region which registered a positive five-year return. The FTSE EPRA/Nareit Global Real Estate Index is designed to track the performance of listed real estate companies worldwide. Read more
Note(s): Worldwide; April 11, 2024; rates at month-end; based on U.S. dollars
Source(s): Nareit

Dividend Yield of Global Real Estate Index by region



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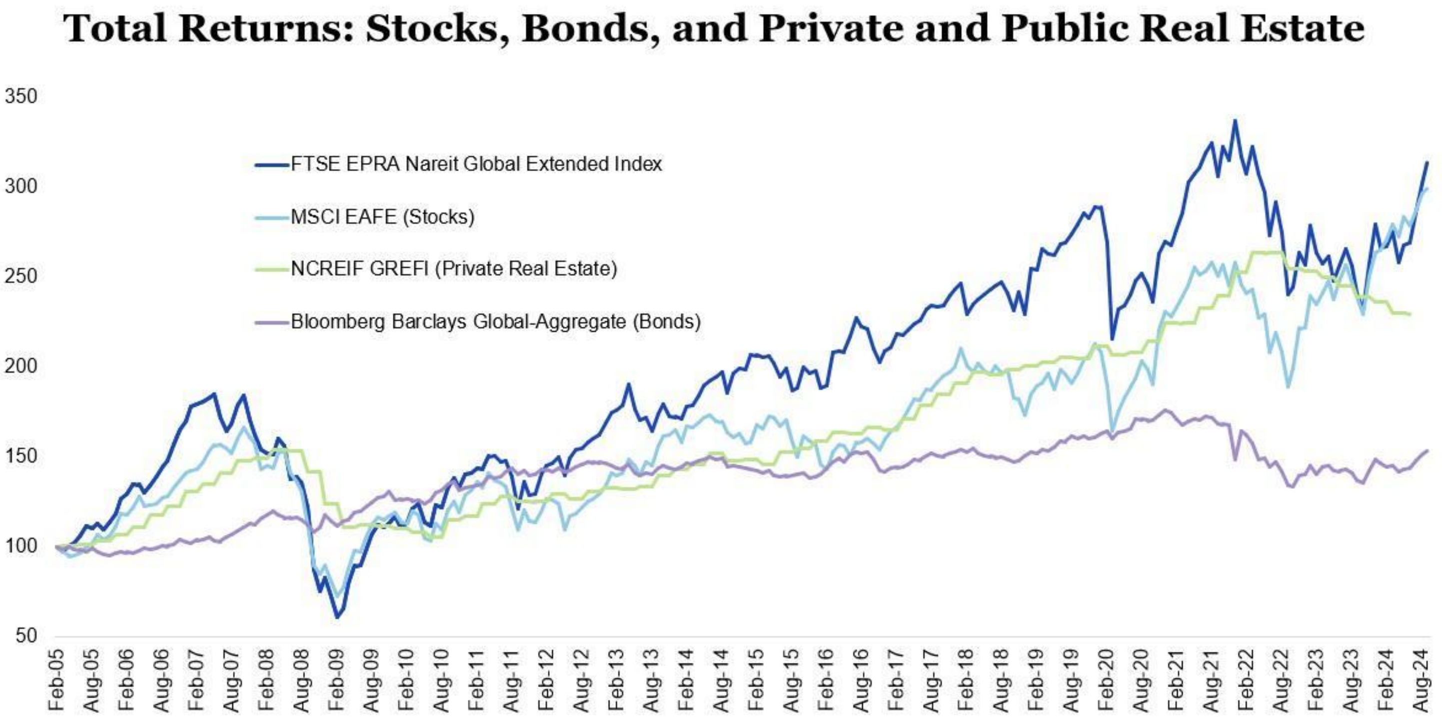
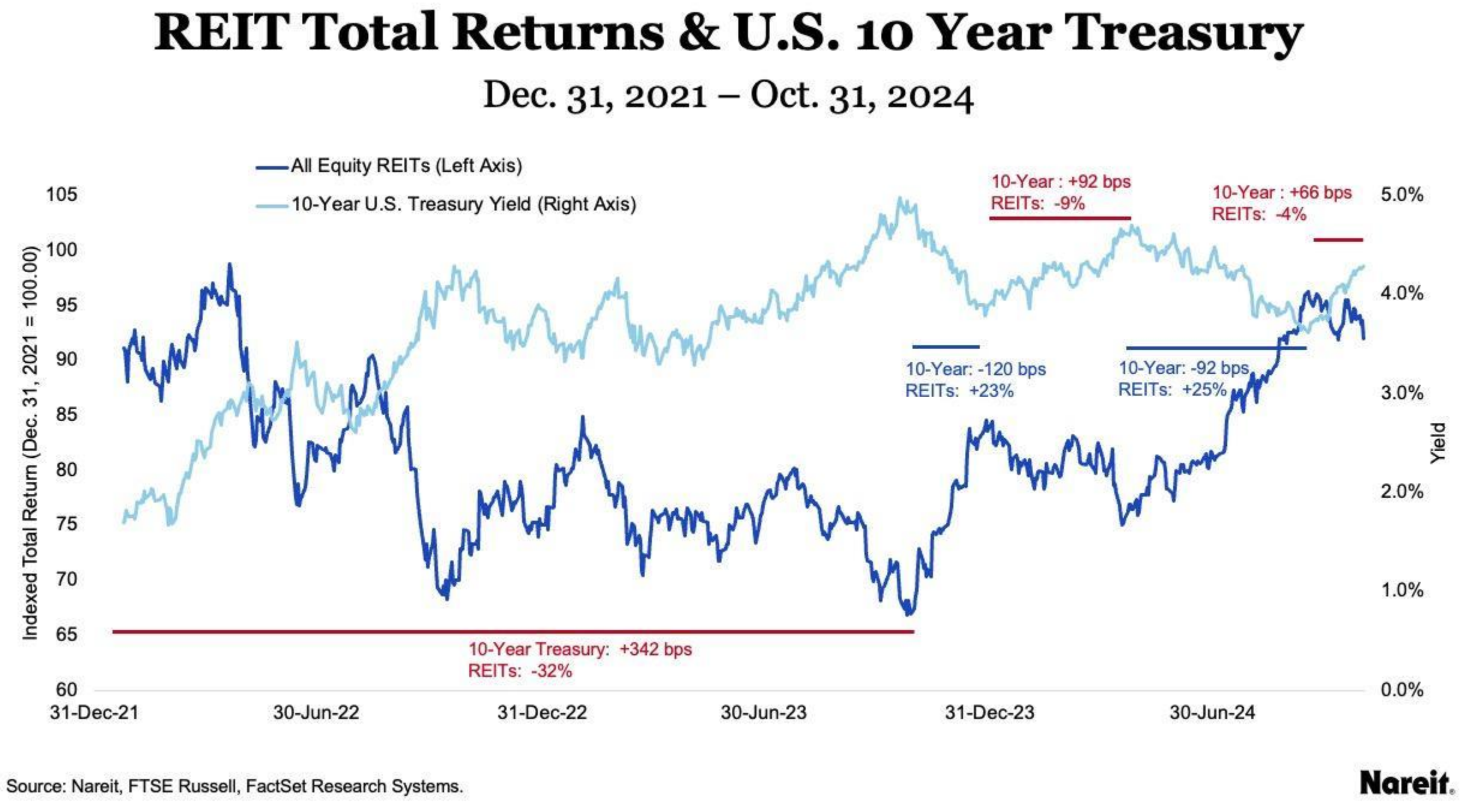
REITs Returns V.S Market Returns



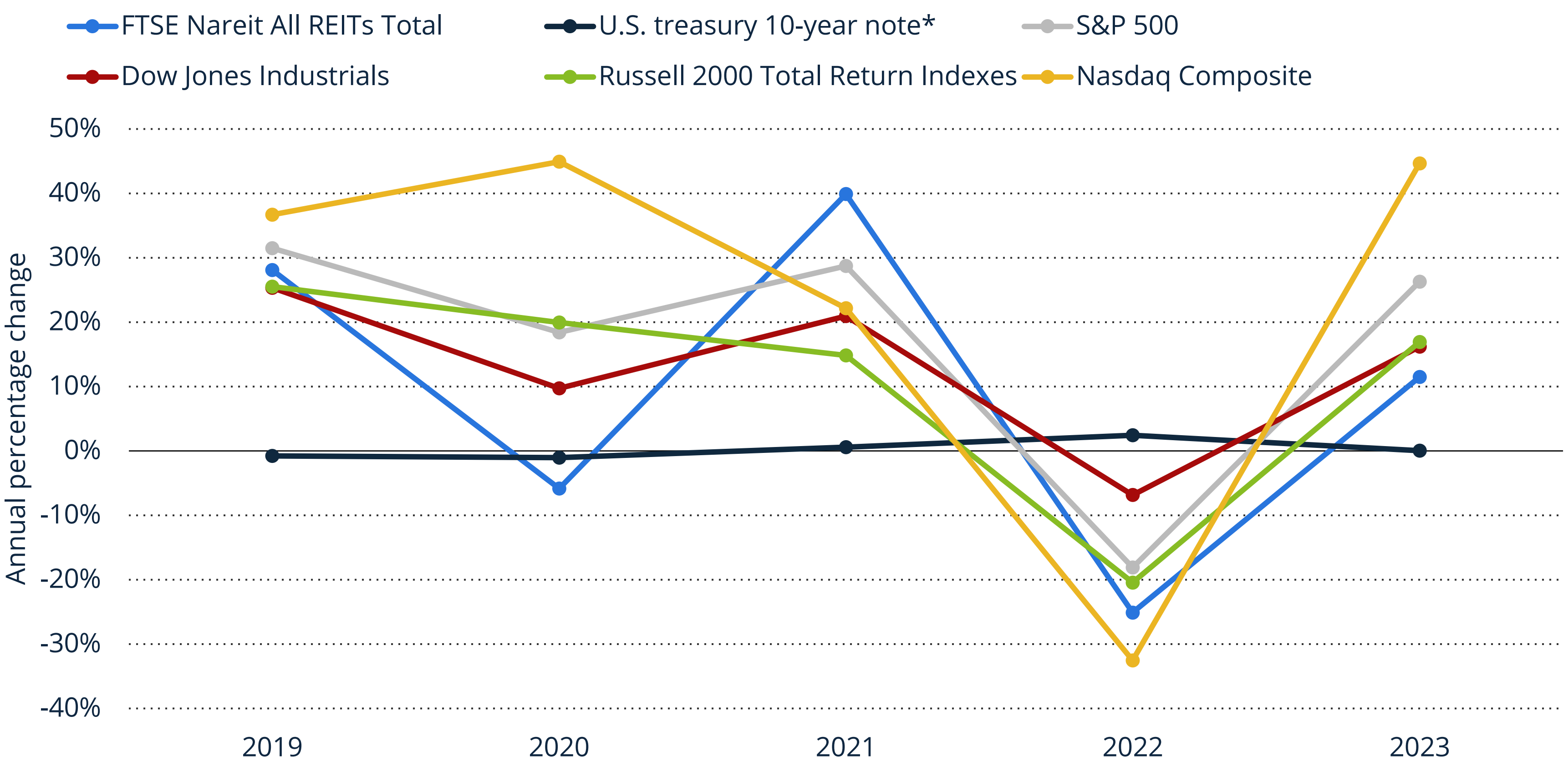
Source: Monthly returns in USD for FTSE EPRA Nareit Global Extended Index, MSCI EAFE and Bloomberg Barclays Global-Aggregate February 2005-December 2023 via Factset. Quarterly returns for NCREIF Global Real Estate Fund Index (GREFI) through 2023Q4.

Nareit.

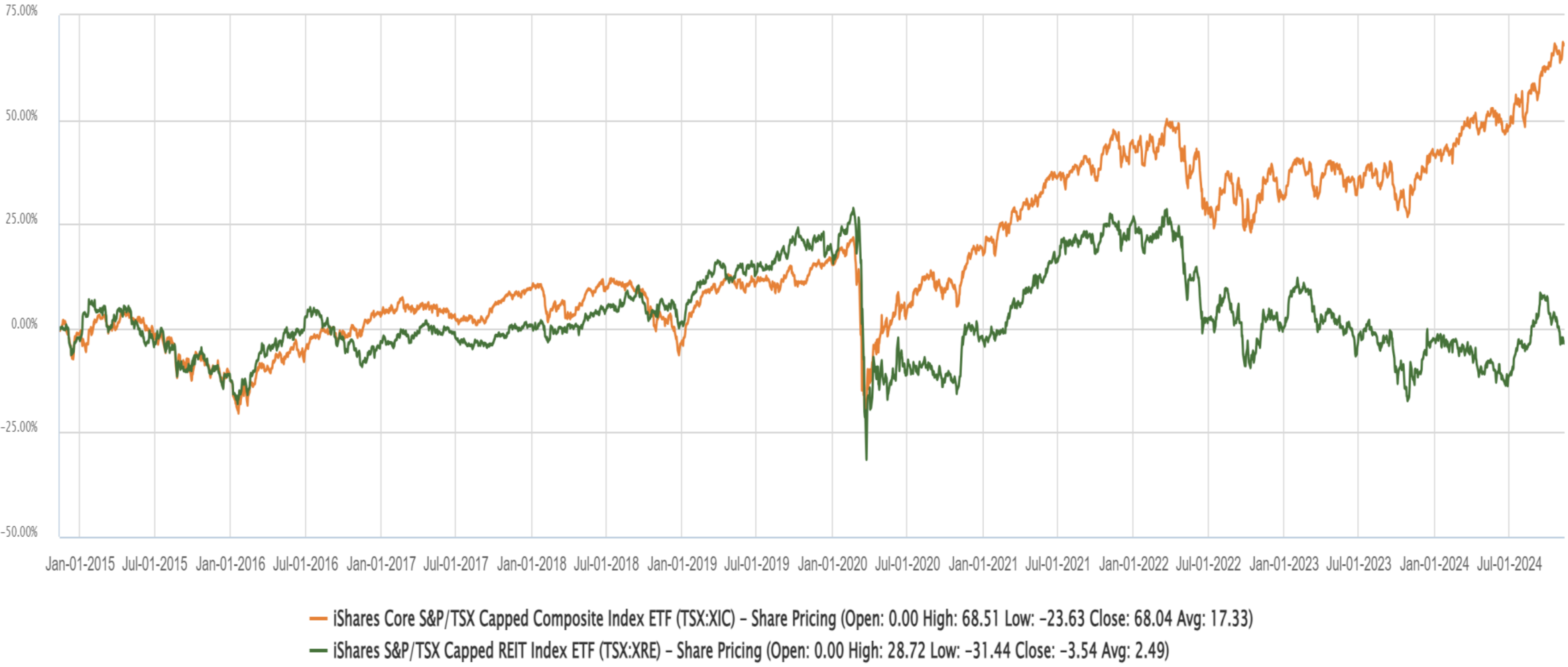
REITs Returns V.S Market Returns



Stock Market Vs Reits Performance

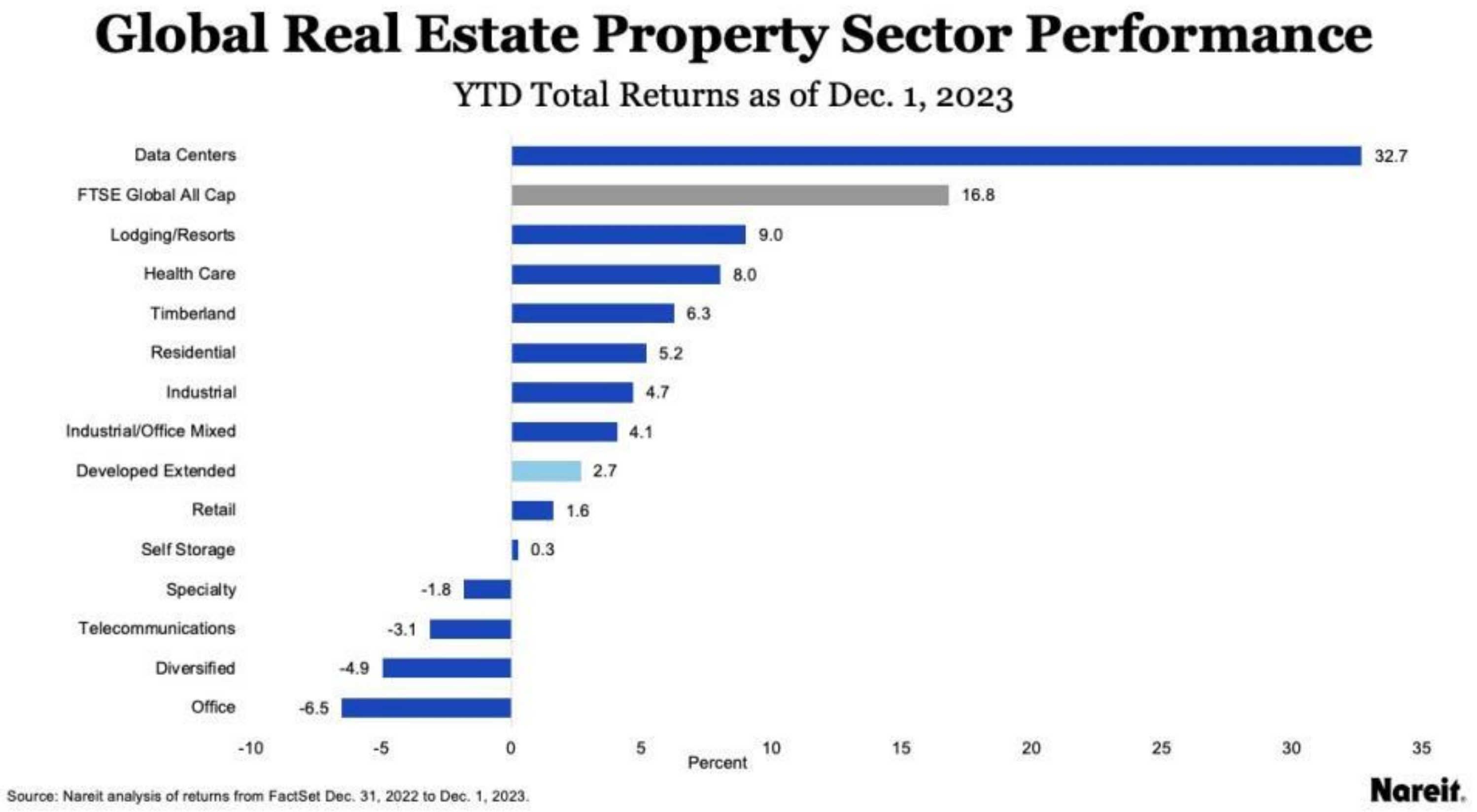


Capped REIT Index vs S&P/TSX Composite

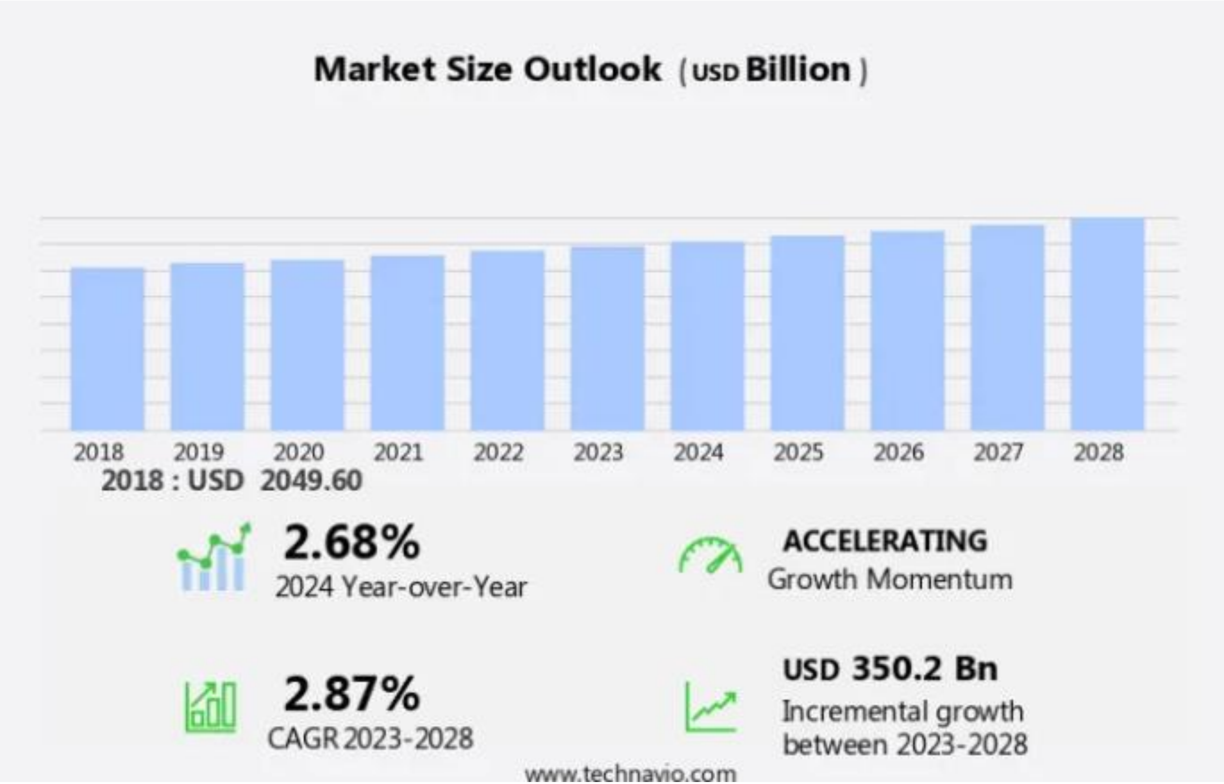


Global REITs Returns

Global REITs Returns: Contributors



Market Outlook



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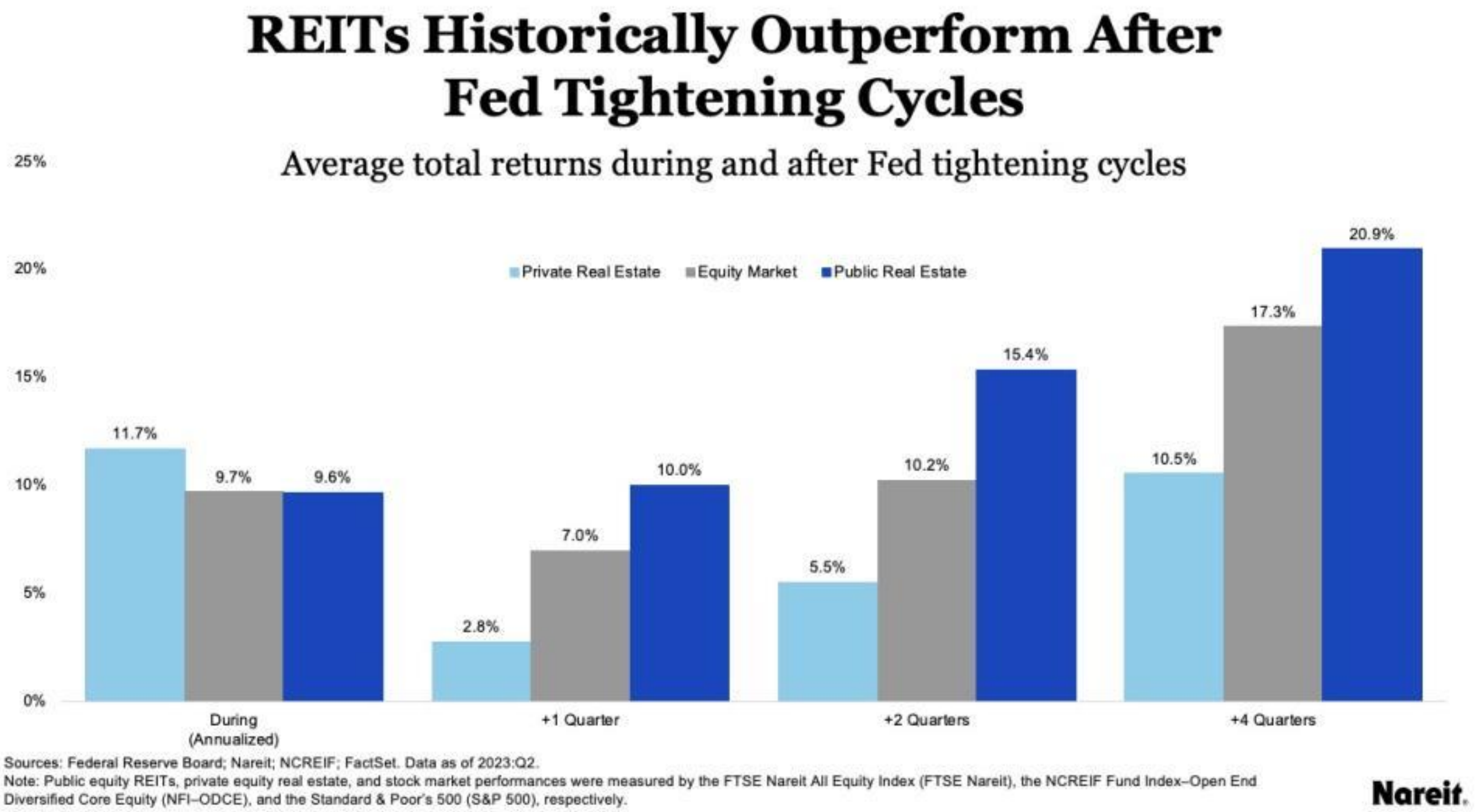

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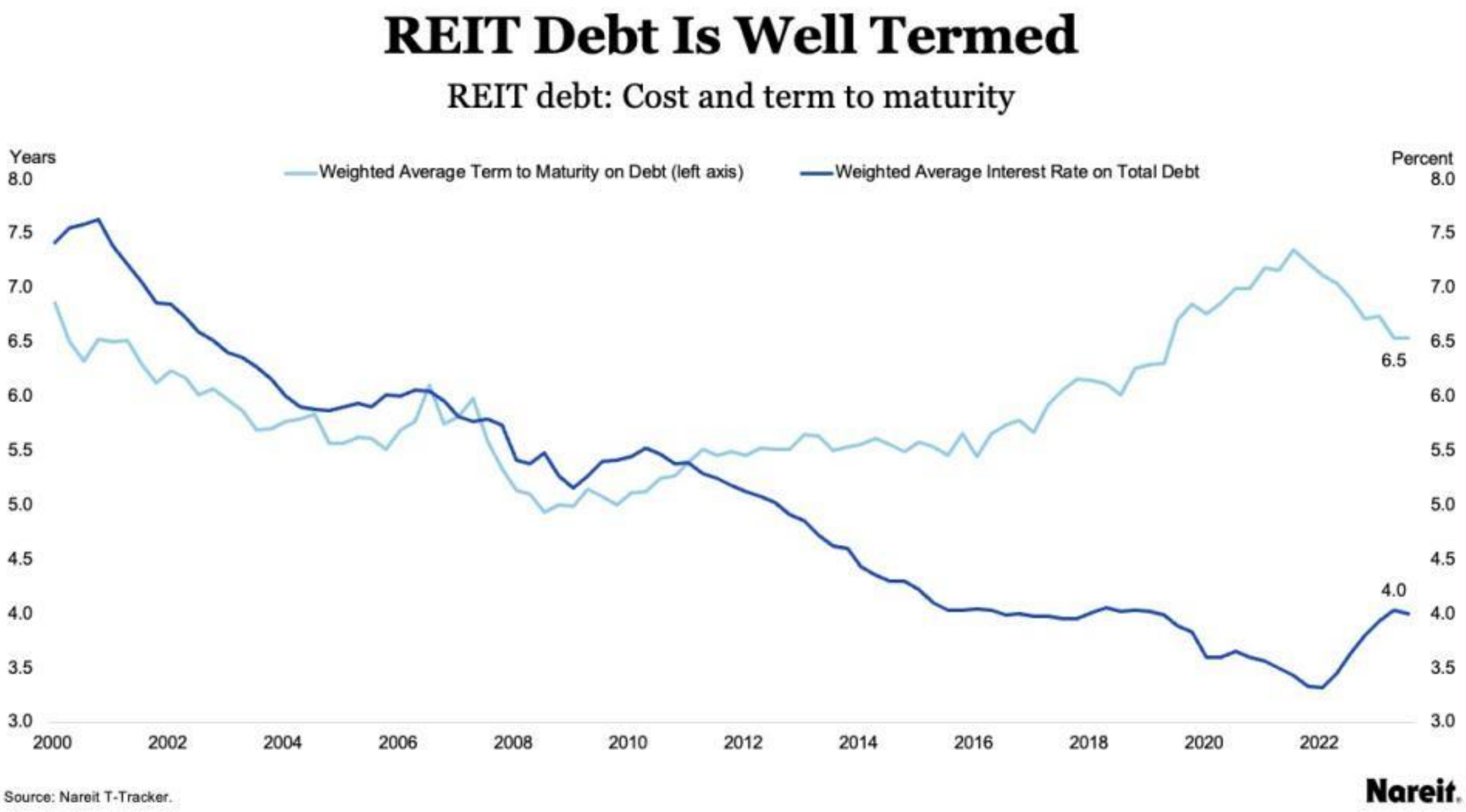

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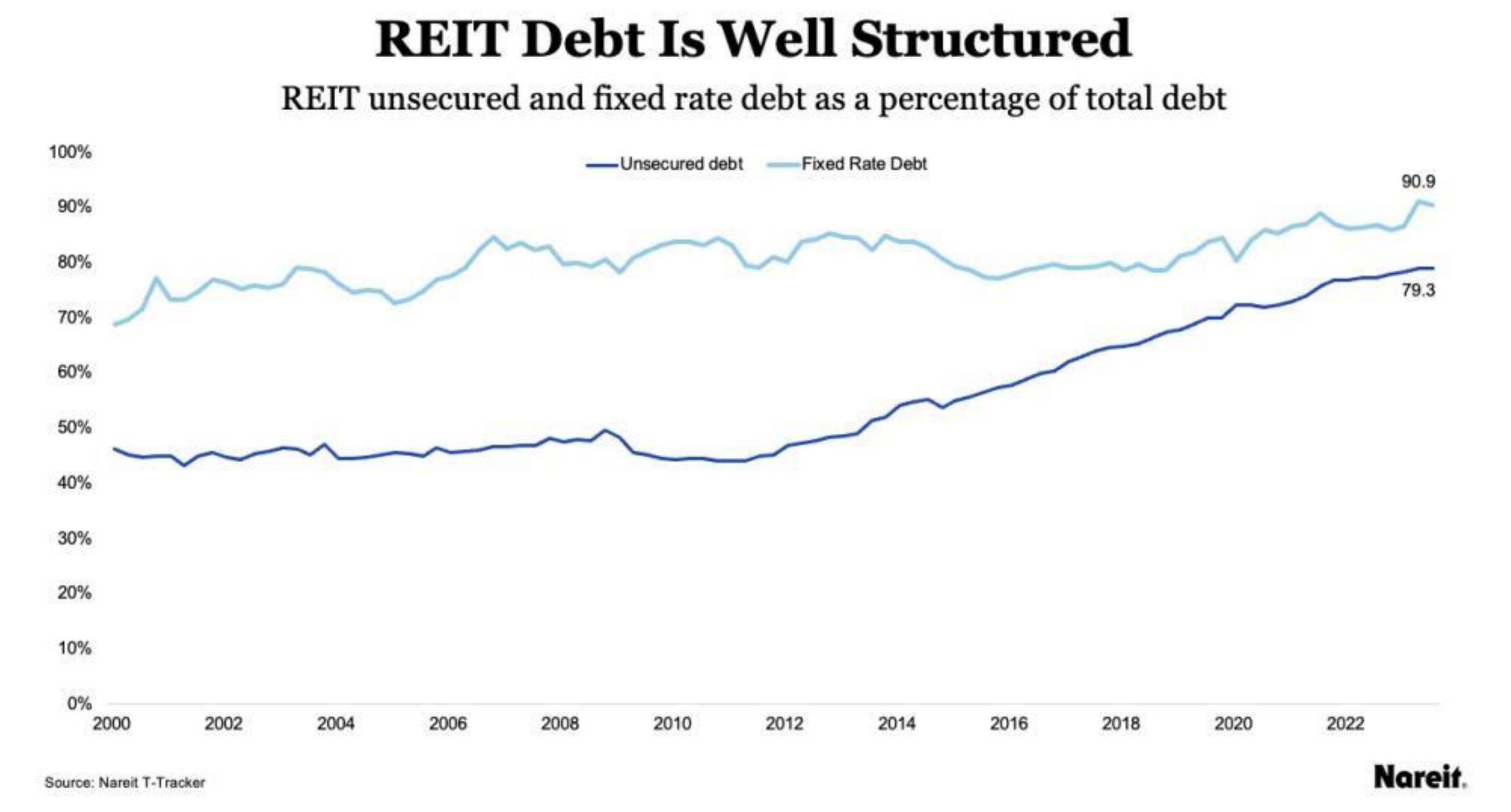


US REITs vs Canadian REITs

Rules & Regulations (U.S. VS CANADA)

Features	U.S REITS	Canadian REITS
Governed By	Requirement of US Internal Revenue Code	Requirements of the Federal Income Tax Act and self-imposed Trust Declaration
Vehicle/ Legal Form	May be a corporation, trust, or association (mostly corporation) As long as corporate vehicle meets requirement for tax law, can appear as and tax advantages of a trust Must be managed by a board of directors or trustees. Have transferable shares or transferable certificates of ownership	Typically structured like mutual fund trust (MFT) May be open-ended (at least 95% of FMV of issued units of trust are redeemable on demand) or closed-ended MFT MFT must be a “unit trust” resident in Canada Trustees hold legal title to and manage the trust property for the benefit of the beneficiaries of the trust
Investors and Mandatory Listing	Min 100 investors with less than 50% of units held by five or fewer individuals No Mandatory Listing	Min 150 unitholders each of whom holds at least one “block” of units valued at no less than $500 Be listed on a recognized Canadian exchange
Revenue Rules	At least 75% of gross income must consist of real property rents, mortgage interest, gains from sale and other real estate related sources At least 95% must be from sources in 75% test plus "passive income" sources such as dividends and interest	At least 75% of trusts gross REIT revenue for a tax year must come from rent or mortgage interest from real or immovable properties in Canada, capital gains from sale of such properties At least 90% of trusts gross REIT revenue for a tax year must come from rent or mortgage interest from real or immovable properties in Canada, capital gains from sale of such properties, dividends, royalties and gains from disposition of eligible resale properties

Rules & Regulations (U.S. VS CANADA)

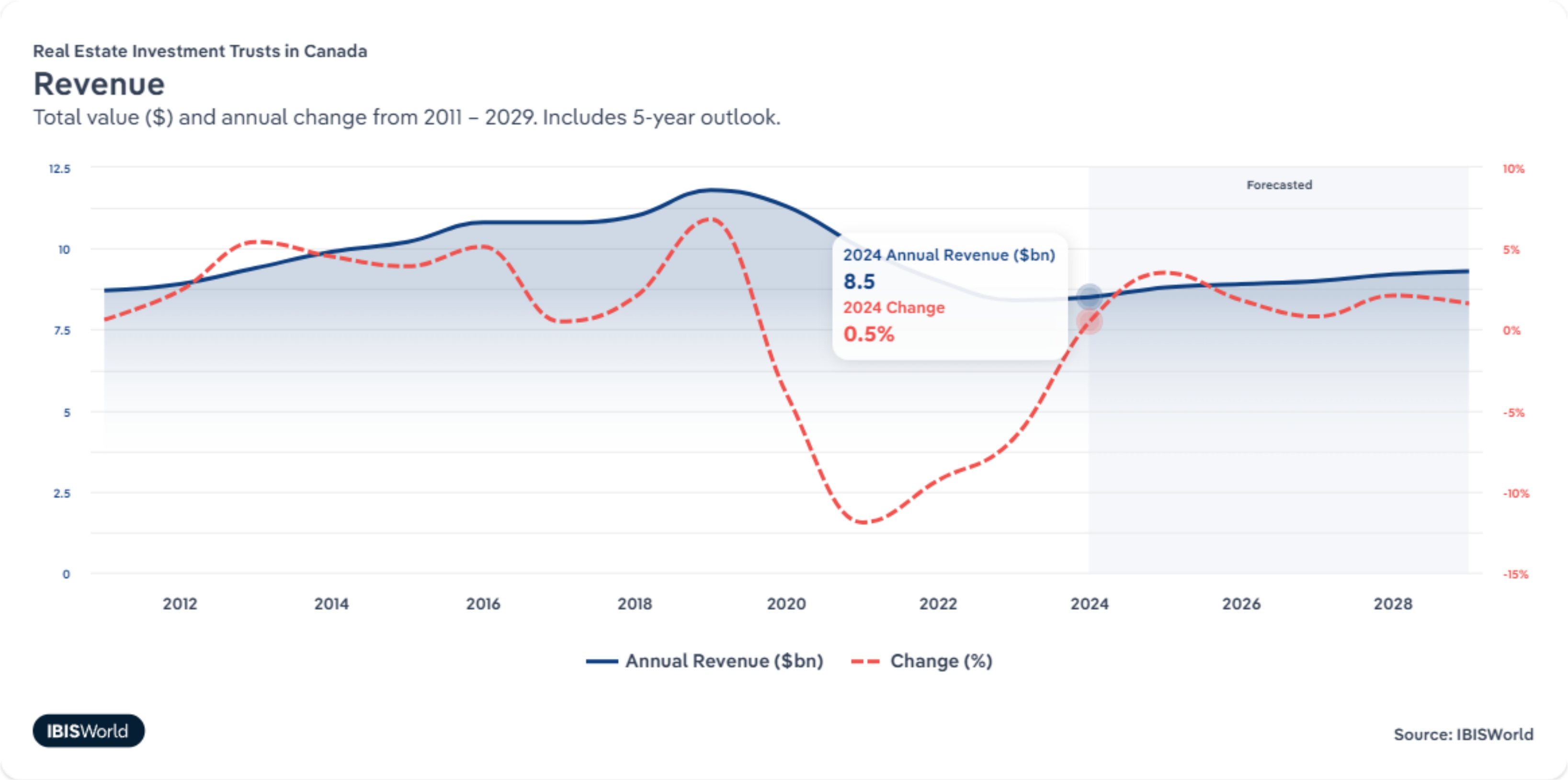
Features	U.S REITS	Canadian REITS
Asset Rules	At close of each quarter of the taxable year: 1. At least 75% of gross asset value of total assets is represented by real estate assets, cash, and cash items, and government securities 2. Not more than25% of the value of total assets is represented by securities other than those in 1. 3. Not more than 20% of the value of total assets is represented by securities of one or more taxable REIT subsidiaries 4. Not more than 5% of the value if the assets are represented by securities of any one issuer other than those securities included in 1 & 3 above 5. The REIT does not hold securities possessing more than 10% of total voting power or having more than 10% of total value of outstanding securities of any one issuer, other than those securities included in 1& 3 above	At least 80% of its property must be held in any combination of real property in Canada and other qualifying investments No more than 10% of its property consisted of bonds, securities or shares in capital stock of any one corporation or debtor

Rules & Regulations (U.S. VS CANADA)

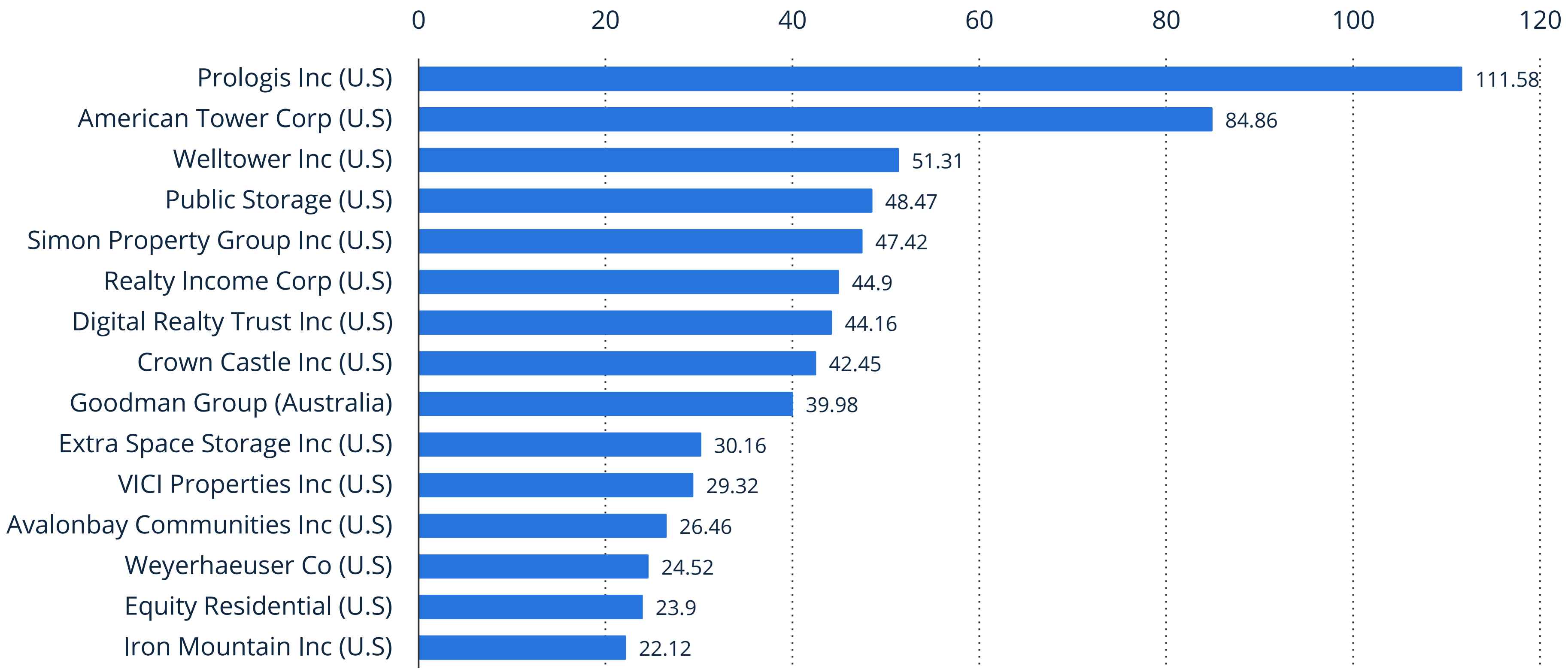
Features	U.S REITS	Canadian REITS
Distributions	Generally, must be at least 90% of taxable Income without regard to distribution and excluding net capital gains	Set individually by the trust declaration, however usually around 85% - 95% of distributable income
Taxation	Income is not taxed as long as it is distributed to investors or it will be taxed at normal corporate rates	Income is not taxed within the trust as long as it is distributed to unit holders
Transfer of Real Estate to REIT	Companies able to move assets to REIT on a tax deferred basis	Limited ability to move assets to REIT on a tax deferred basis
Liability of Investors	Liability of Investors is limited due to use of corporate Structure	Unlimited liability (However, generally believed no material differences between a trust and a corporation) All REITS have adopted a strategy to reinforce their limited liability only to the assets of the REIT and not to unitholders. Done this by incorporating a clause in their material contracts under which the service providers acknowledge that their only recourse is either to a specific asset of the REIT or all assets of the REIT Some REITS have partially achieved legal limited liability through use of corporations or limited liability partnerships

REITs Revenue US

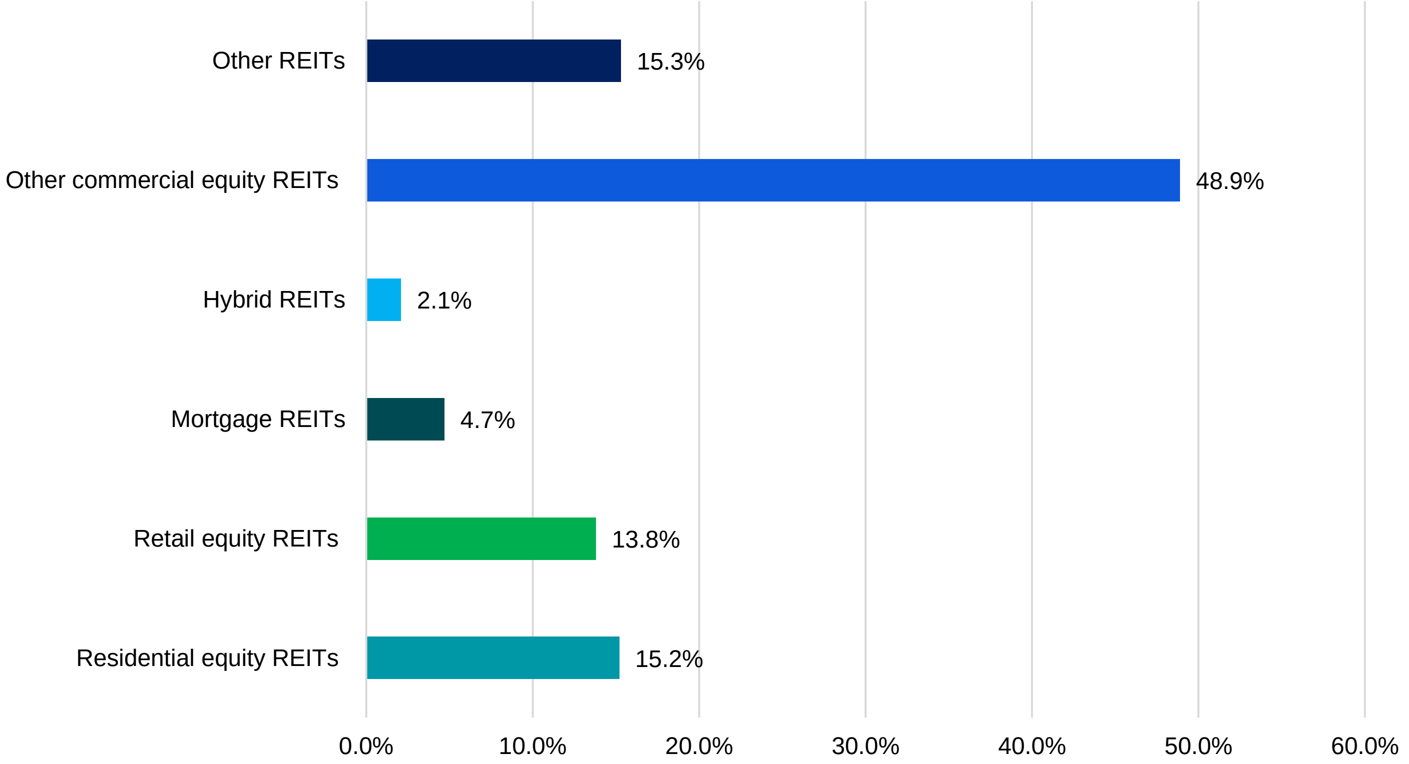
REITs Revenue Canada



Leading Real Estate Investment Trusts (REITs) worldwide in 2024 (by market cap)

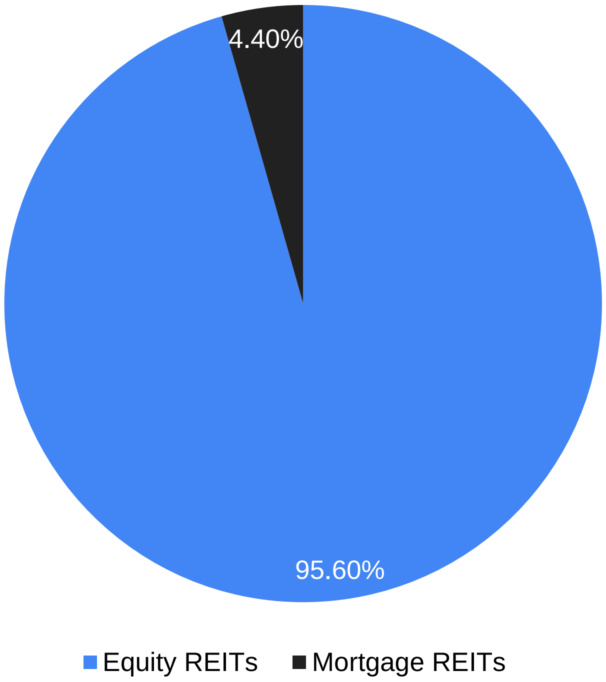


REITs Types Segmentation - US

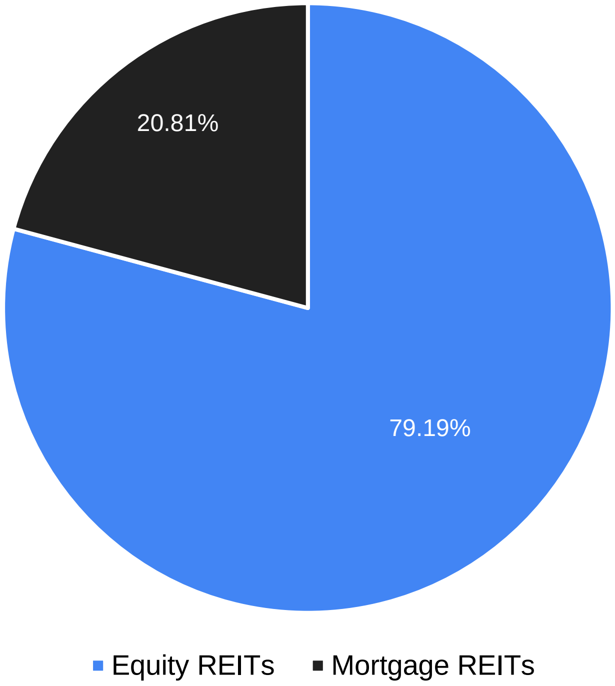


REITs Types Segmentation - US

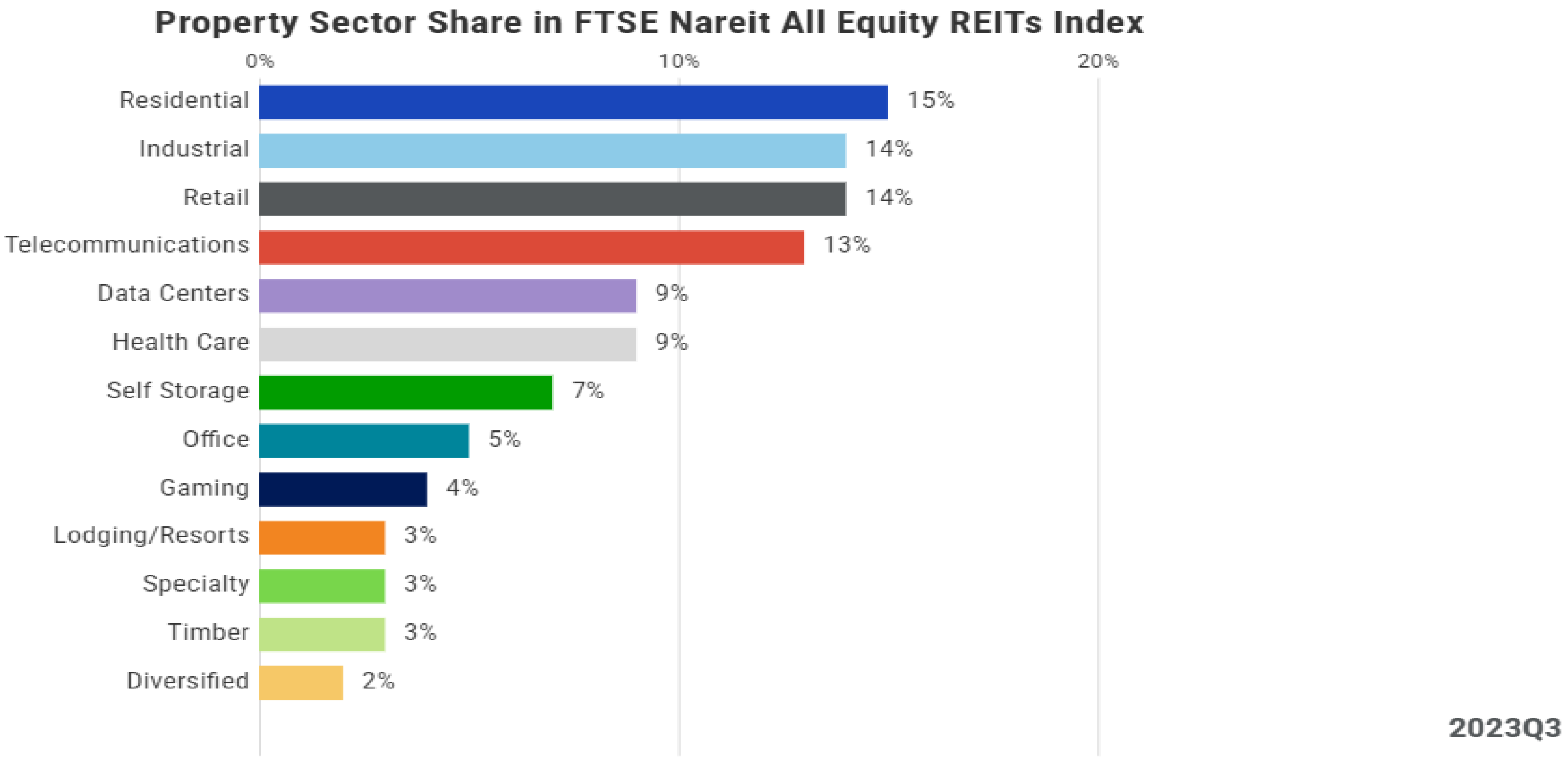
2023 NAREIT Index: By Market Cap



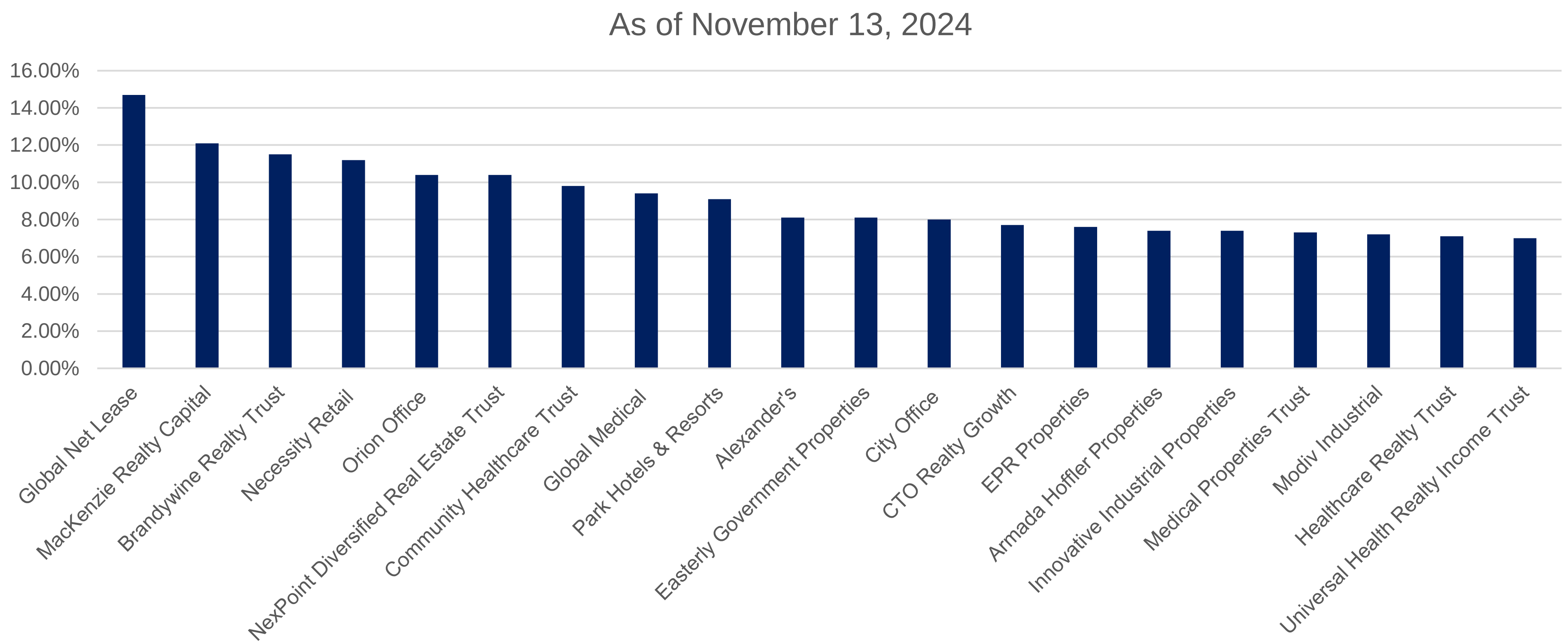
2023 NAREIT Index: By REIT Count



REITs Types by Industry - US



Top 20 Dividend Yield US REITs



Canadian REITs

- First REITs in Canada established in 1993
  - One of the first was RioCan (initially known as Council REIT [sic])
- Added into S&P/TSX Composite Index on January 26, 2005
- Governed by federal Income Tax Act
- Typically structured as a MFT (Mutual Fund Trust)
- Canadian REIT sector has 7 industries: Diversified, Retail, Office, Residential, Healthcare, Industrial, and Hotel

RIO CAN™

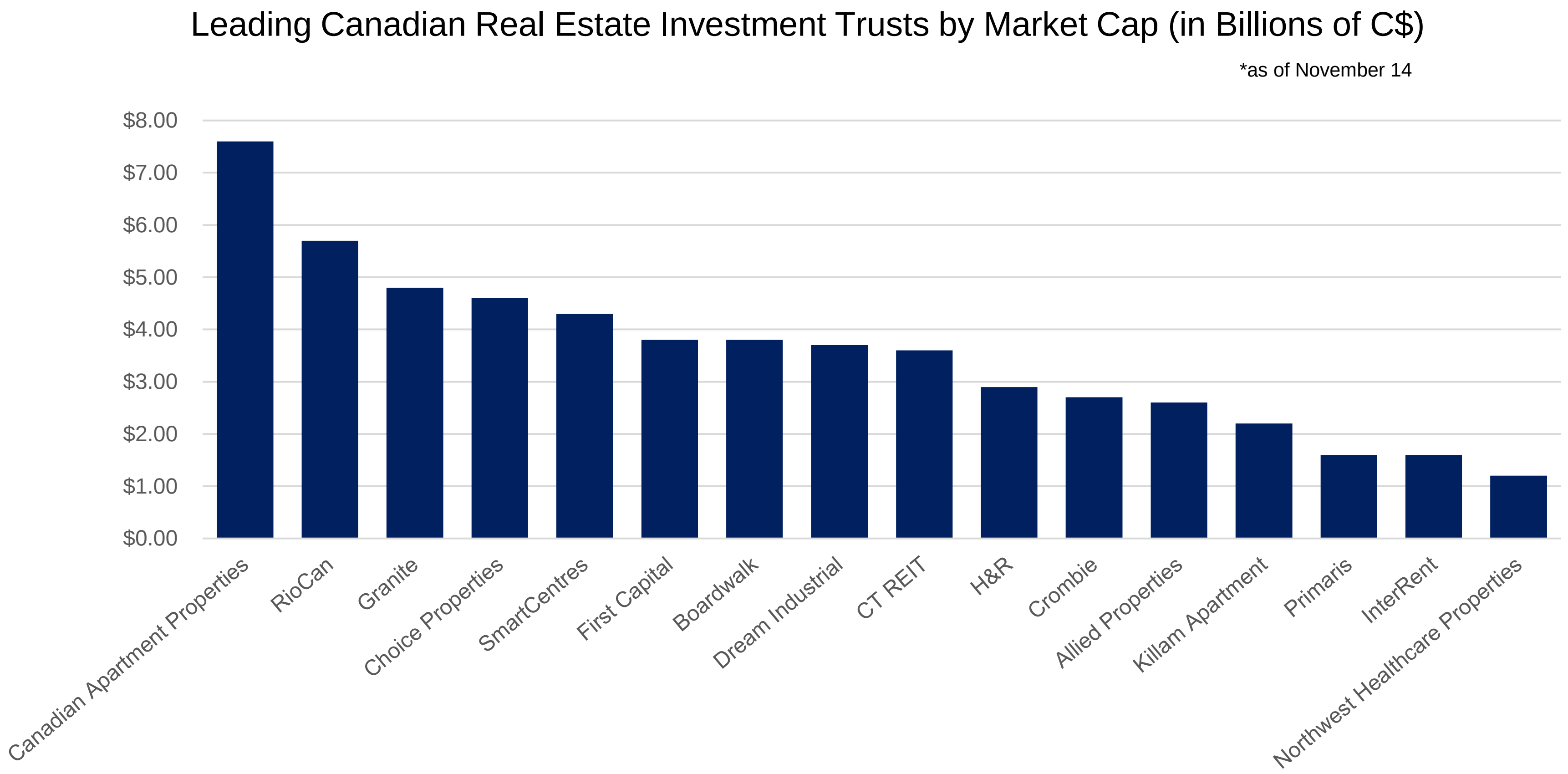
ALLIED

ChoiceProperties

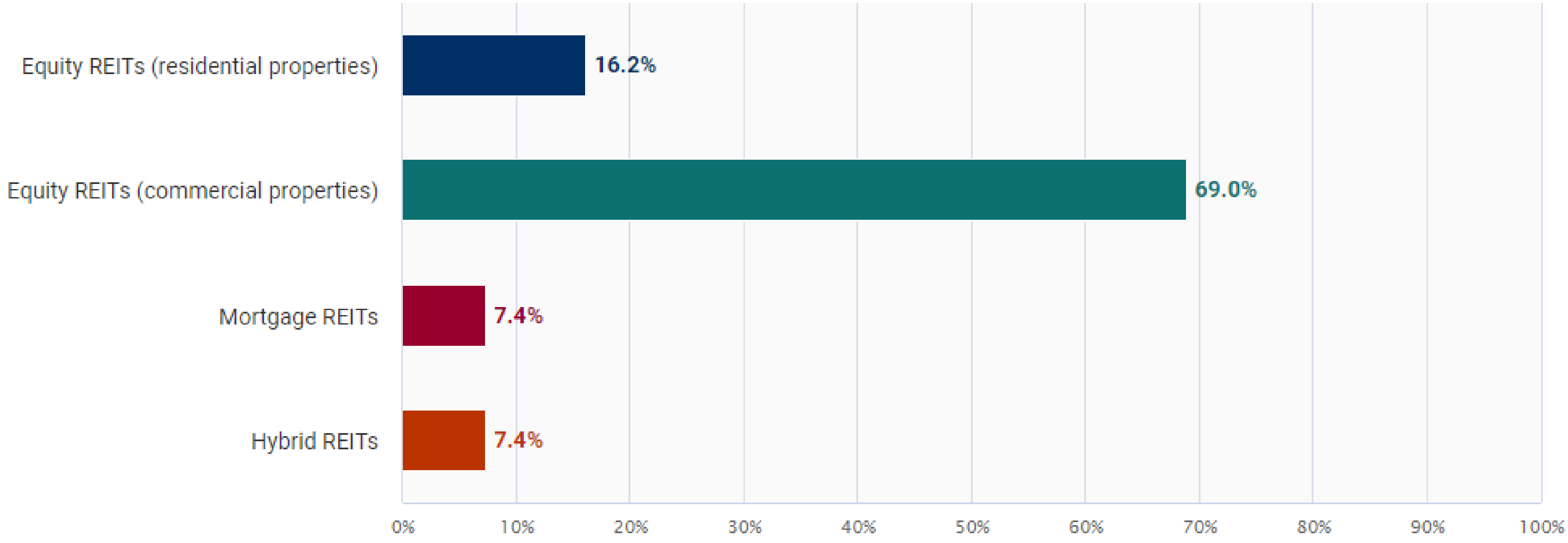
FIRST CAPITAL

HUDSON PACIFIC PROPERTIES

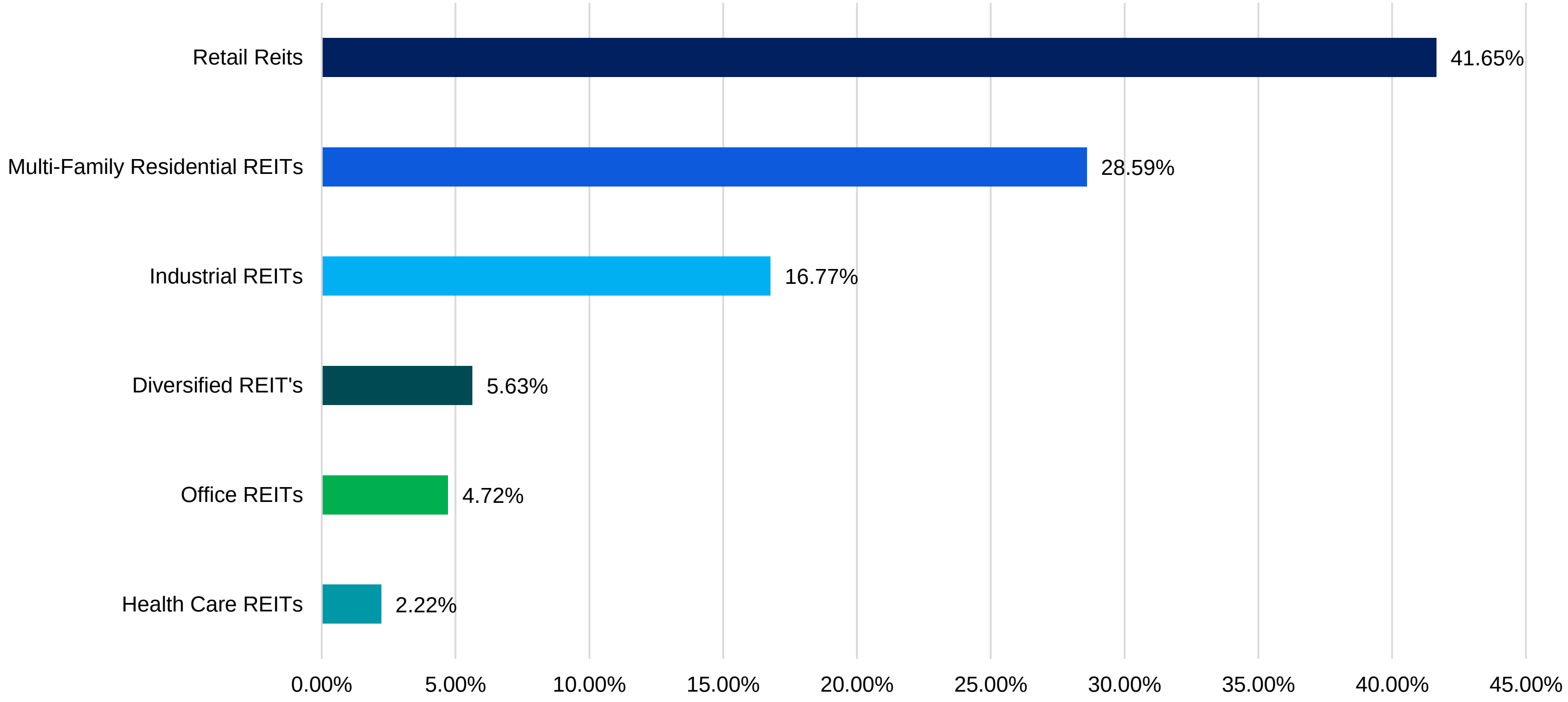
Market Cap – Canadian REITs



REITs Types Segmentations - Canada



Canadian REITs by sector



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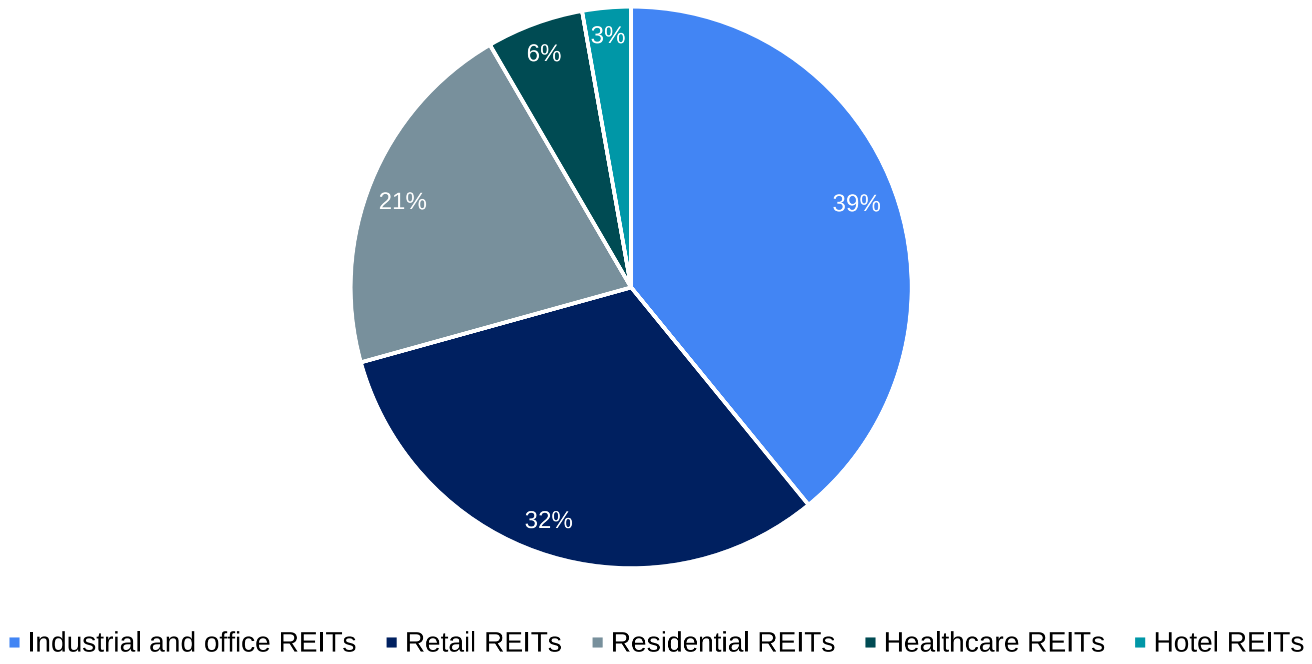
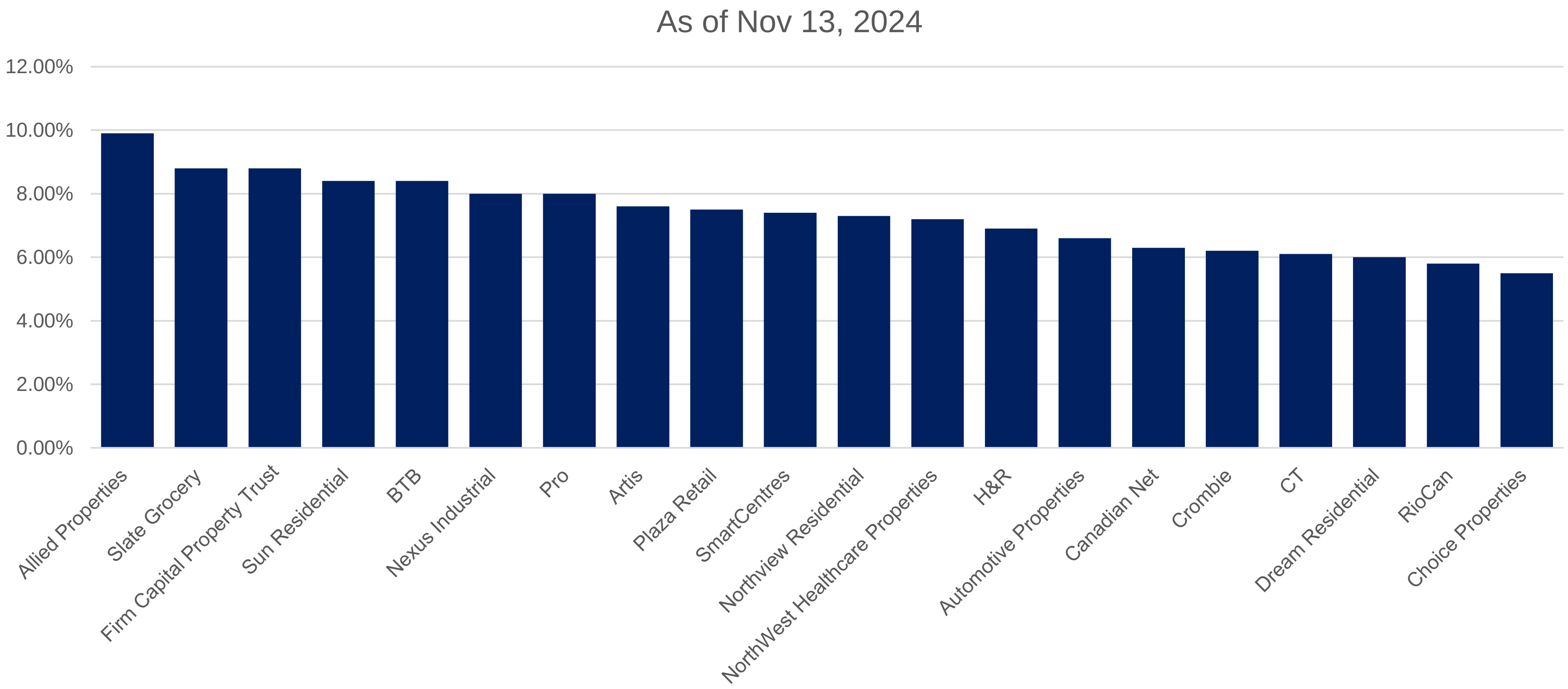


Top 20 Dividend Yield Canadian REITs



NAREIT

NAREIT®, the National Association of Real Estate Investment Trusts®, is the worldwide representative voice for REITs and publicly traded real estate companies with an interest in U.S. real estate and capital markets. NAREIT's members are REITs and other businesses throughout the world that own, operate, and finance income-producing real estate, as well as those firms and individuals who advise, study, and service those businesses.

For more information, visit REIT.com.

Key Valuation Metrics

Valuation metrics

P/NAV

NAV (net asset value) is a liquidation value

REITS tend to trade close to net asset value

P/FFO

FFO (funds from operations) is a way to measure long term cash flow of a company

P/AFFO

AFFO (adjusted funds from operations) smoothes out earnings and dock off recurring or maintenance capex

Measuring REIT performance: NAV

NAV

Claims on the assets are netted from fair value of assets

Formula

+ Fair Value of Properties
- Debt
- Preferred Shares
+ Cash
+ Investments
+ Shares of JV
+ Land Value
+ Developments

= Net Asset Value

Fair Value of Properties

$$\frac{\text{Net Operating Income}}{\text{Capitalization Rate}}$$

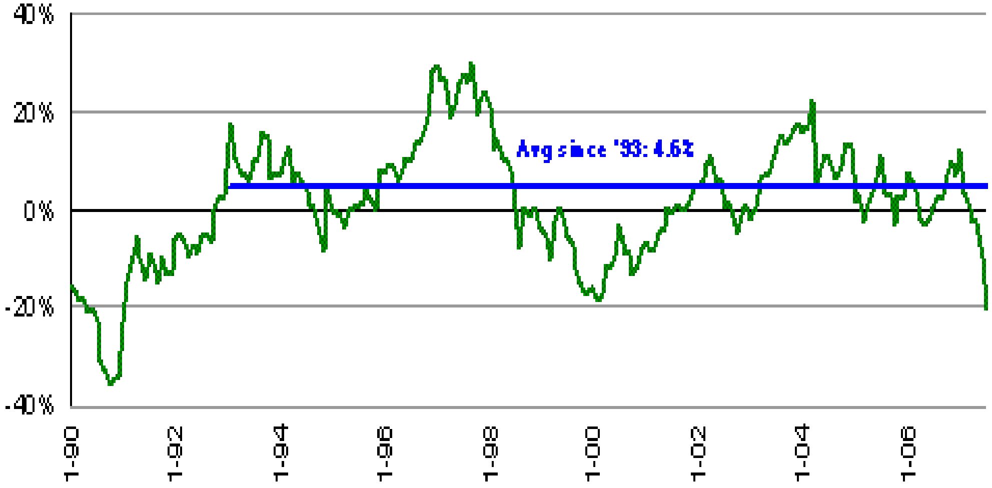
Capitalization rate is based on property class and quality of the property

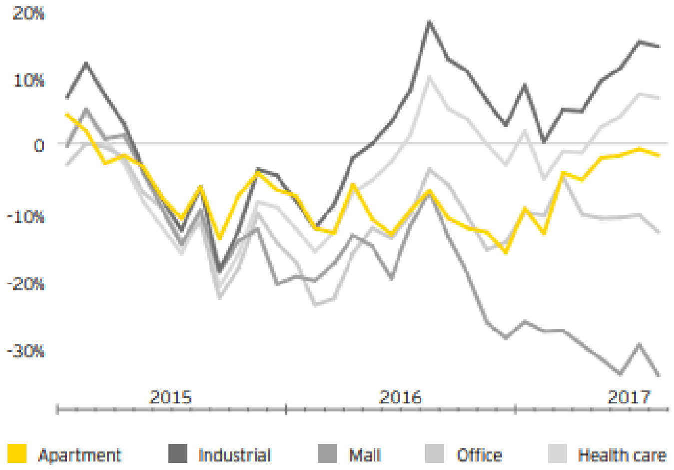
REIT Share Price Premiums to Green Street NAV Estimates

January 1990 - July 2007

Buy if NAV > Share Price

Sell if NAV < Share Price





Source: Green Street Advisors

How FFO is Calculated

FFO

Cash flow generated from a REIT's business operations

Net Income
+ D&A
+ Loss on sale of assets
+ Interest Expense
- Gains on sale of assets
- Interest Income

= Funds From Operations

Measuring REIT performance: FFO

Definition by National Association of Real Estate Investment Trusts (NAREIT):

- “FFO means **net income** (computed in accordance with generally accepted accounting principles), **excluding** gains (or losses) from debt restructuring and sales of property, **plus** depreciation and amortization of assets uniquely significant to the real estate industry, and **after** adjustments for unconsolidated entities in which the REIT holds an interest.”
- “Items **classified by GAAP as extraordinary or unusual** (including other non-recurring events that distort the comparative measurement of performance over time) **are not** meant to either increase or decrease reported FFO.”

Measuring REIT performance: P/FFO

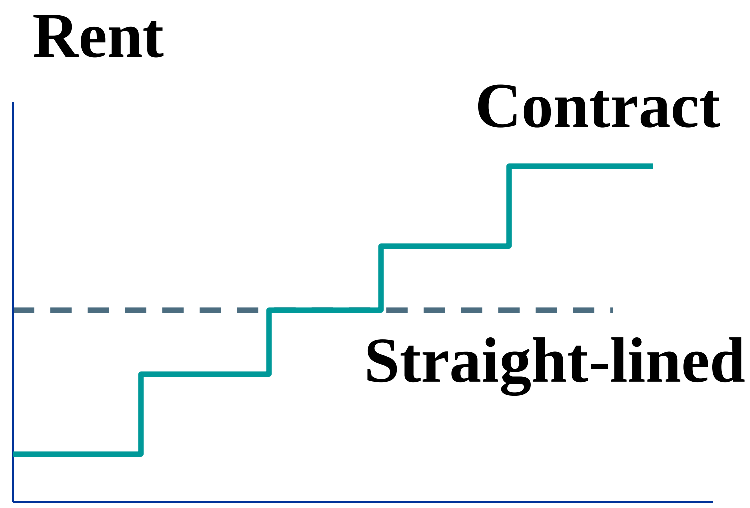
- REITs' earnings concept is "FFO"
  - "Funds from Operations"
  - Used as a measure of operating performance
  - Used in multiple analysis, e.g. P/FFO ratio

- FFO and capital expenses
  - All capital expenses are assumed to be investments
  - However, in real estate, much recurring capex effectively is an operating expense
  - These expenses include painting projects and roof replacements

Measuring REIT performance: FFO

Straight-lining of rents

- GAAP requires straight-lining of rents with fixed contractual increases
- Results in monthly rent expense that differs from actual amount billed
- The averaging results in misstating near term cash flows



FFO : Payout Strategy

Payout Strategy

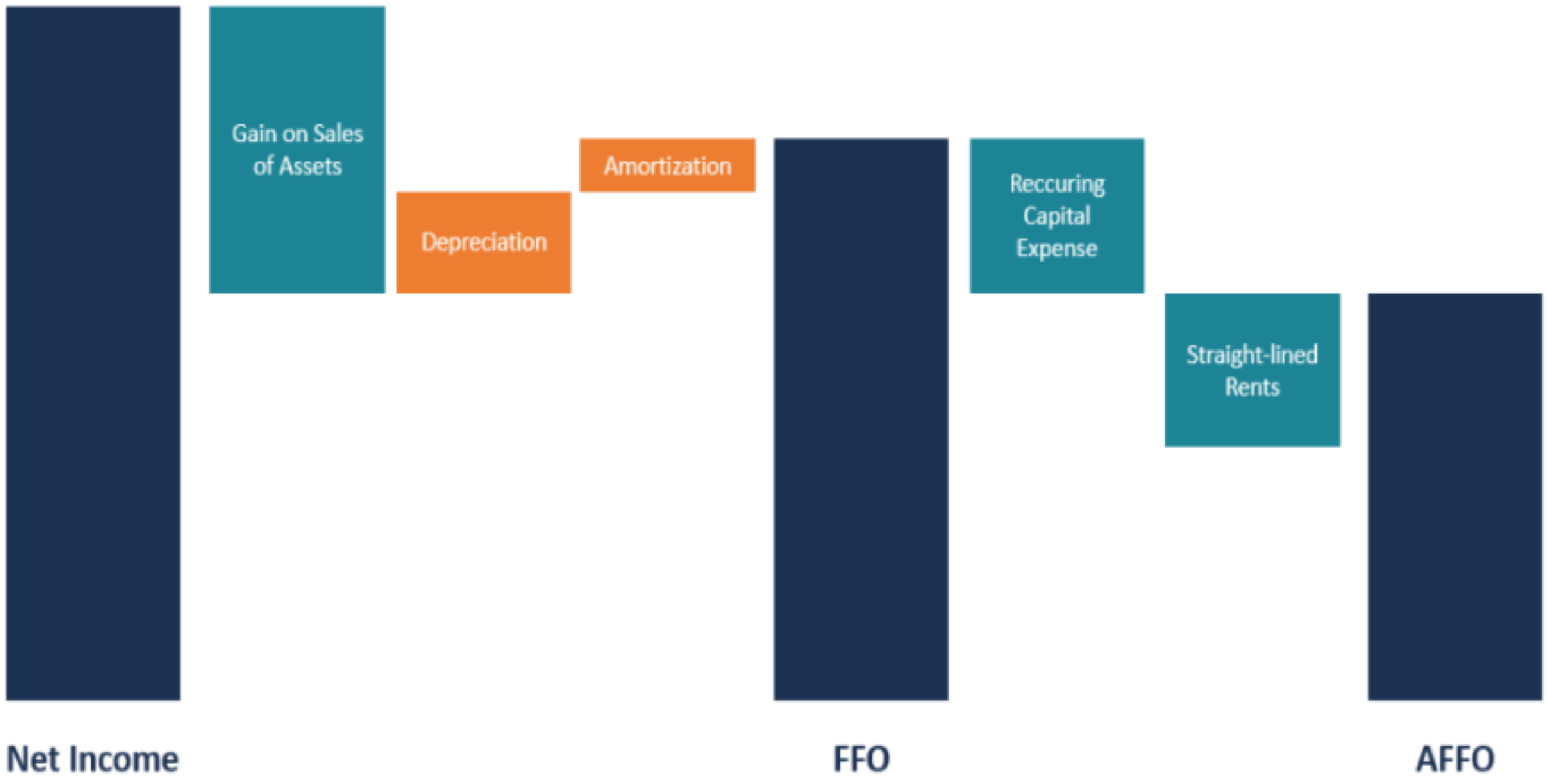
Depending on management's strategy, some REITs will have high payouts in order to attract investors

However, it's important to analyze whether the payout strategies are sustainable long term

Measuring REIT performance: P/AFFO

AFFO	Description	Formula
Normalized measure that considers recurring costs	Deducts “non - revenue enhancing capex” Non GAAP	FFO - Recurring capital expenditures - Straight-lined rents **= Adusted Funds From Operations**

Measuring REIT performance: P/AFFO



FFO or AFFO?

FFO

FFO is a way of reporting earnings that is more difficult to manipulate

AFFO

AFFO is a better measure of earnings as it normalizes recurring expenditure, but is less defined

SLATE

Grocery
REIT

Company Snapshot (Nov 13, 2024)

Toronto - Delayed Quote • CAD

Slate Grocery REIT (SGR-UN.TO)

☆ Follow   Compare

13.71 -0.02 (-0.15%)

At close: 4:00 p.m. EST

1D 5D 1M 3M YTD 1Y 5Y All   Key Events

Previous Close	13.73	Day's Range	13.64 - 13.80	Market Cap (intraday)	810.692M	Earning...	Feb 11, 2025 - Feb 17, 2025
Open	13.80	52 Week Range	10.23 - 14.34	Beta (5Y Monthly)	1.68	Forward Dividend & Yield	1.20 (8.77%)
Bid	13.68 x --	Volume	76,627	PE Ratio (TTM)	20.16	Ex-Dividend Date	Oct 31, 2024
Ask	13.71 x --	Avg. Volume	115,479	EPS (TTM)	0.68	1y Target Est	14.60

Key Statistics - Valuation

Valuation Measures

	Current	2024-09-30	2024-06-30	2024-03-31	2023-12-31	2023-09-30
Market Cap	811.87M	831.39M	647.49M	677.52M	713.72M	661.09M
Enterprise Value	2.40B	2.36B	2.21B	2.22B	2.20B	2.17B
Trailing P/E	20.09	18.43	12.81	34.03	21.98	11.45
Forward P/E	6.97	7.56	6.05	6.15	6.40	5.62
PEG Ratio (5yr expected)	--	--	--	--	--	--
Price/Sales	2.81	3.05	2.37	2.52	2.75	2.52
Price/Book	0.87	0.90	0.69	0.72	0.77	0.69
Enterprise Value/Revenue	8.29	8.50	7.90	8.05	8.21	8.03
Enterprise Value/EBITDA	14.54	14.69	13.13	18.86	16.45	14.13

Key Statistics - Stock

Grocery REIT SLATE

Stock Price History

Beta (5Y Monthly)	1.68
52 Week Range [3]	33.43%
S&P 500 52-Week Change [3]	32.77%
52 Week High [3]	14.34
52 Week Low [3]	10.23
50-Day Moving Average [3]	13.76
200-Day Moving Average [3]	12.05

Profitability

Profit Margin	14.01%
Operating Margin (ttm)	75.67%

Management Effectiveness

Return on Assets (ttm)	3.66%
Return on Equity (ttm)	4.61%

Dividends & Splits

Forward Annual Dividend Rate [4]	1.2
Forward Annual Dividend Yield [4]	8.77%
Trailing Annual Dividend Rate [3]	0.86
Trailing Annual Dividend Yield [3]	6.29%
5 Year Average Dividend Yield [4]	9.28
Payout Ratio [4]	176.00%
Dividend Date [3]	2024-11-15
Ex-Dividend Date [4]	2024-10-31
Last Split Factor [2]	--
Last Split Date [3]	--

Key Statistics - Financials

Income Statement

Revenue (ttm)	**211.3M**
Revenue Per Share (ttm)	**3.41**
Quarterly Revenue Growth (yoy)	**6.20%**
Gross Profit (ttm)	**--**
EBITDA	**--**
Net Income Avi to Common (ttm)	**29.61M**
Diluted EPS (ttm)	**0.68**
Quarterly Earnings Growth (yoy)	**-49.60%**

Balance Sheet

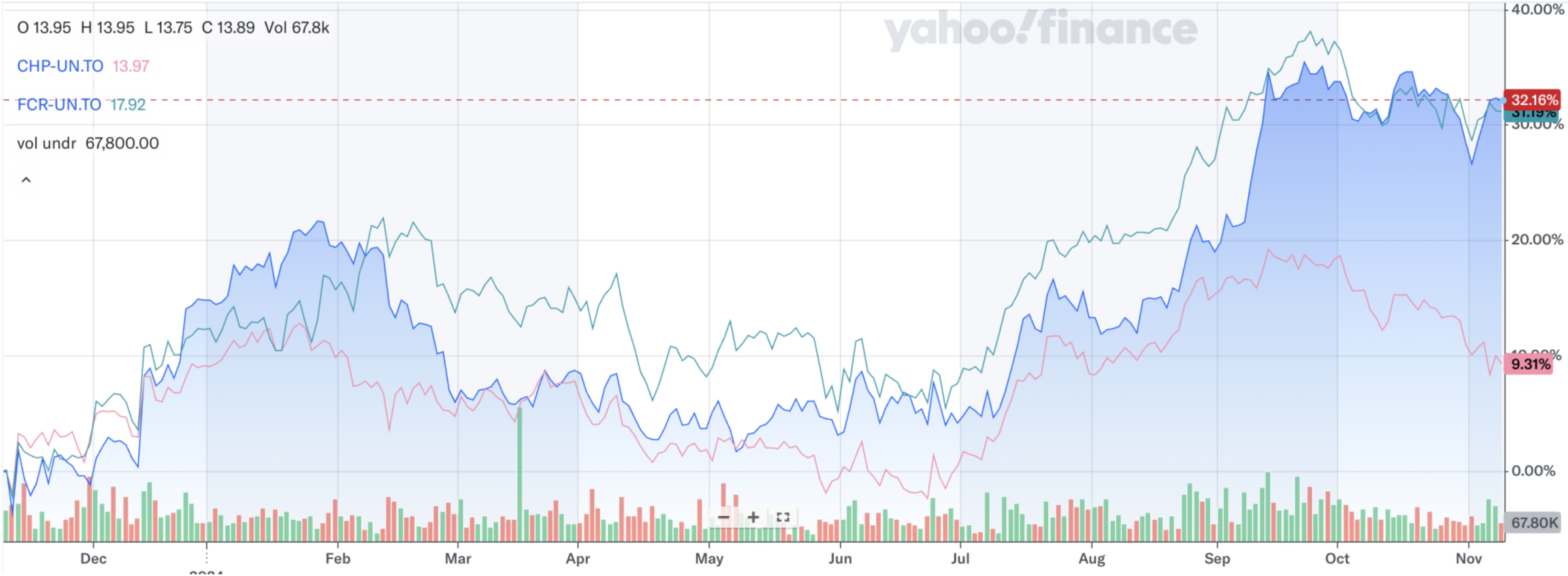
Total Cash (mrq)	**19.65M**
Total Cash Per Share (mrq)	**0.33**
Total Debt (mrq)	**1.16B**
Total Debt/Equity (mrq)	**136.14%**
Current Ratio (mrq)	**0.09**
Book Value Per Share (mrq)	**11.63**

Cash Flow Statement

Operating Cash Flow (ttm)	**66.26M**
Levered Free Cash Flow (ttm)	**55.21M**

Performance – 1 Year

Performance – 1 Year vs. Competitors



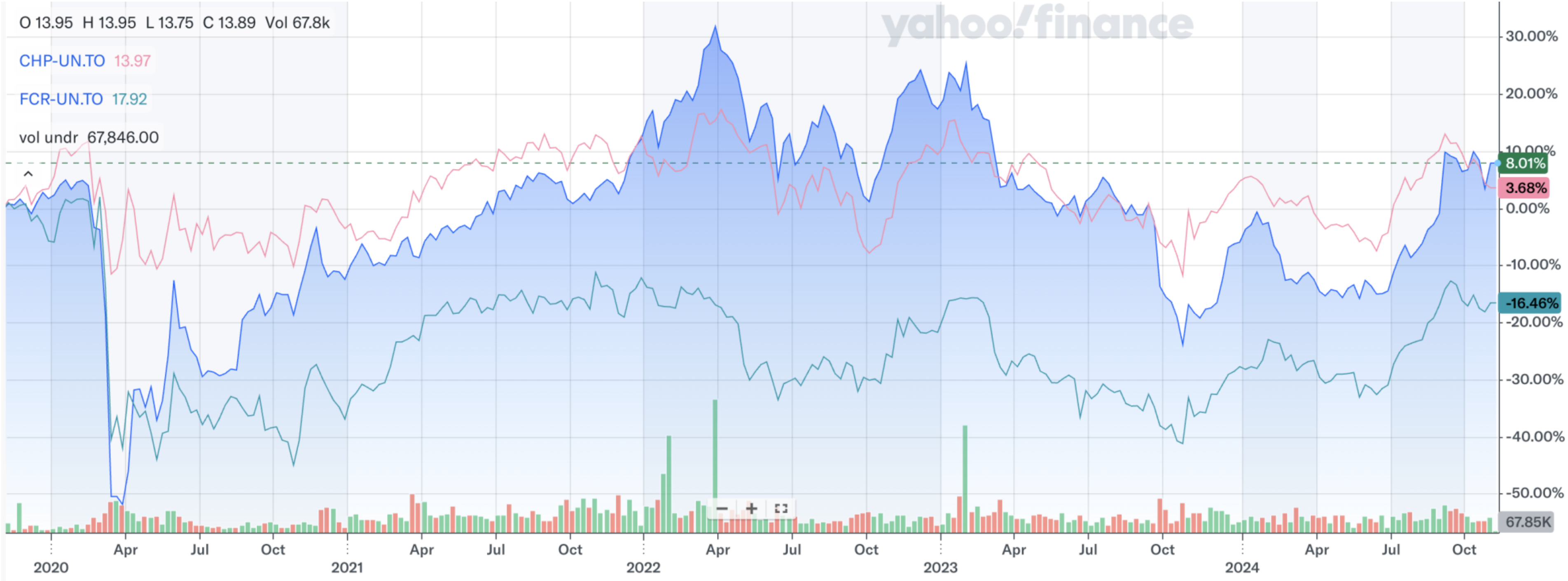
Performance – 1 Year vs. REIT ETFs

Grocery REIT SLATE

- SGR – Trailing Annual DistributionYield = 6.29%, Forward Distribution Yield = 8.77%
- XRE - S&P/TSX REIT ETF, Trailing Annual Distribution Yield = 4.79%, Distribution Yield = 4.44%
- VRE – Canadian Capped REIT ETF, Trailing Annual Distribution Yield = 2.75%, Forward Distribution Yield = 2.81%

Performance – 5 Year

Performance – 5 Year vs. Competitors



Performance – 5 Year vs. REIT ETFs

- **XRE** - S&P/TSX REIT ETF, **VRE** – Canadian Capped REIT ETF

Historical Performance

Historical Performance vs. Competitors

Grocery REIT SLATE

Historical Performance vs. REIT ETFs

- **XRE** - S&P/TSX REIT ETF, **VRE** – Canadian Capped REIT ETF

Company Overview

Grocery REIT SLATE

- Headquartered in Toronto
- Unincorporated open-ended real estate mutual fund trust
- Owner and operator of **U.S. grocery-anchored real estate**
- The REIT owns and operates approximately **$2.4 billion of infrastructure** across U.S. metro markets
- Externally managed by Slate Asset Management
- Slate entered grocery sector after the financial crisis
- Opened on the TSX in April of 2014

Objectives and Growth Strategy

Strategy and Outlook

Our strategy is to own the last mile of essential logistics that allows our quality grocery-anchored properties to operate and service consumers for their everyday needs. Located in major markets in the U.S., we believe that our diversified portfolio and quality tenant covenants provide a strong basis to continue to grow unitholder distributions and flexibility to capitalize on opportunities that provide appreciation in value.

Disciplined in **acquisition** of well-located properties

Proactive property and asset management that results in NOI growth

Prudent and disciplined management of capital outlays

Robust **balance sheet management**

Internal Growth Strategy

Grocery REIT SLATE

Slate's Internal Growth Strategy

Maintaining **strong tenant relationships** and ensuring tenant retention: adapting to changing needs & proactiveness

Maximizing rental income through **leasing initiatives**: active strategies and established leasing platform

Repositioning current properties: modest and target capital projects or operational improvements

Driving incremental value: monetization of REIT's land through densification, rooftop leasing and other elements

External Growth Strategy

Slate's External Growth Strategy

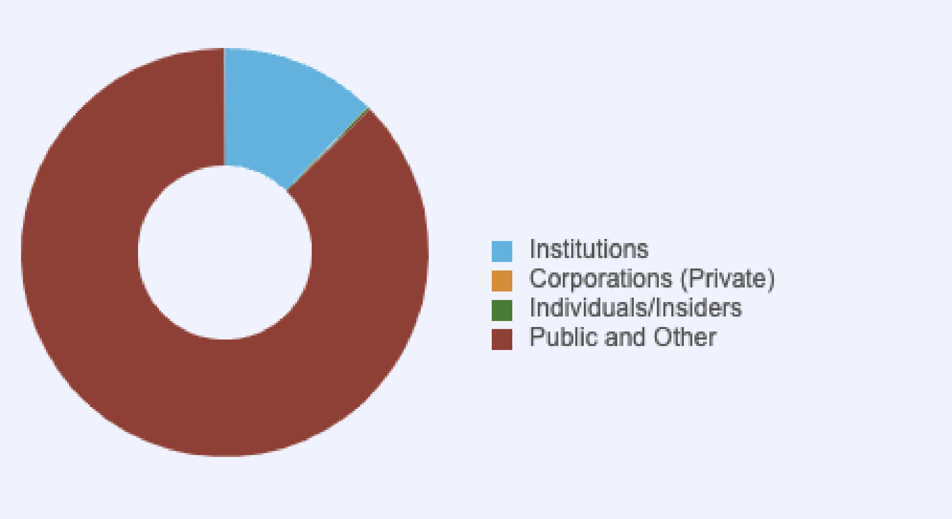
Opportunity to benefit from its **relationship with Slate Asset Management** to grow asset base

Identify **undervalued properties** within the U.S. grocery stores

Continue to **optimally refurbish, reposition, and re-tenant** properties

Ownership

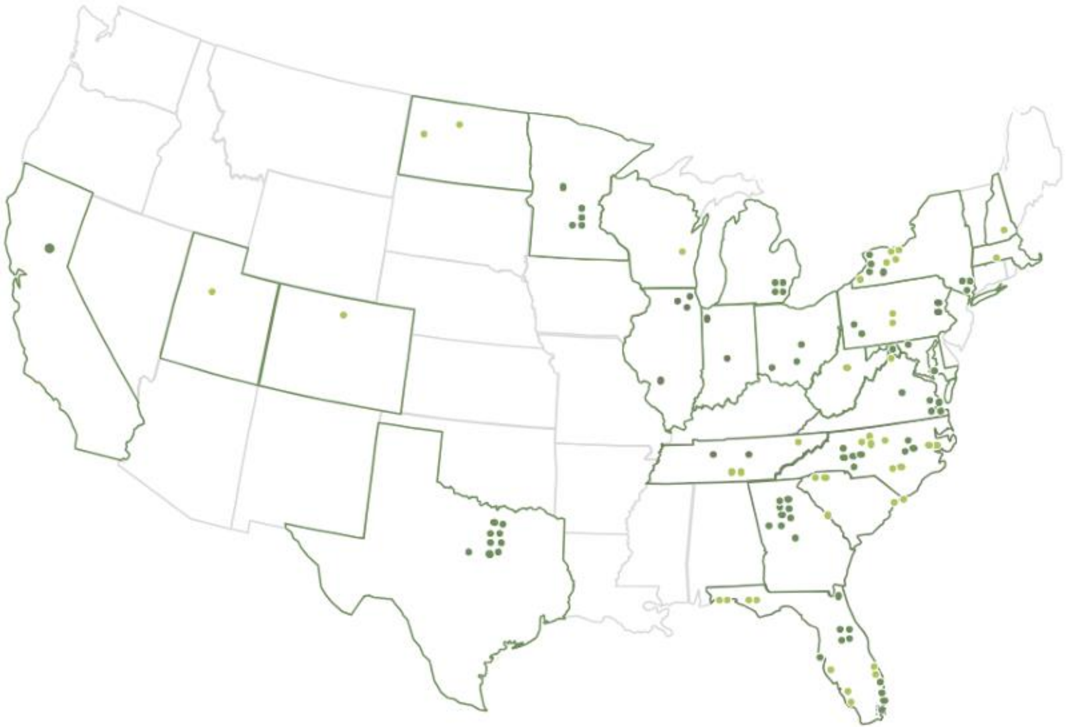
Grocery REIT SLATE



Ownership Summary [1]			
Type	Common Stock Equivalent Held	% of Total Shares Outstanding	Market Value (CAD in mm)[2]
Institutions [5]	7,328,085	12.39	100.6
Corporations (Private)	25,000	0.04	0.3
Individuals/Insiders	90,831	0.15	1.3
Public and Other [3]	51,690,524	87.42	709.7
Total	**59,129,440**	**100.01** [6]	**811.9**

Holder	% Of CSO
Slate Asset Management LP	5.688
BMO Asset Management Corp.	3.59
Purpose Investments Inc.	0.932
Dimensional Fund Advisors LP	0.654
Teachers Insurance and Annuity Association-College Retirement Equities Fund	0.419
The Vanguard Group, Inc.	0.233
Manulife Asset Management	0.098
Asset Management One Co., Ltd.	0.097
DBX Advisors LLC	0.091
TD Asset Management, Inc.	0.084
BlackRock, Inc. (NYSE:BLK)	0.079
State Street Global Advisors, Inc.	0.065
Nomura Asset Management Co., Ltd.	0.05
Queen's Court Properties Ulc	0.042
Northern Trust Global Investments	0.041

Asset Positioning



- 23 states
- 116 properties
- 15.2M square feet
- 94.8% grocery-anchored properties

Asset Positioning - Breakdown

Grocery REIT
SLATE

Top States

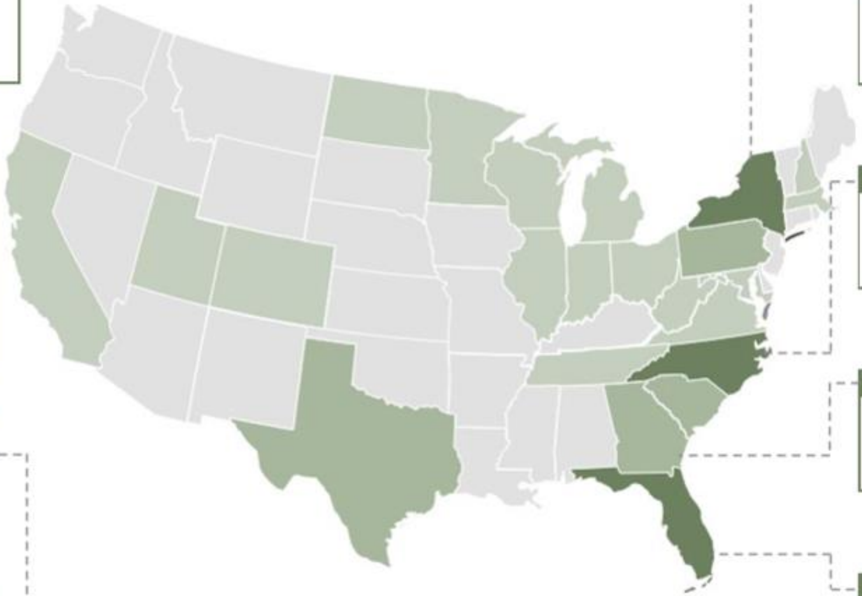
- > 11% of GLA
- 5% - 10% of GLA
- < 5% of GLA

Top 5 MSAs

	% of GLA
Dallas	5%
Atlanta	5%
Charlotte	5%
Greenville	4%
Rochester	4%

Top 5 Regions

	% of GLA
Southeast	45%
Midwest	18%
Mid-Atlantic	15%
Northeast	14%
Southwest	6%



~57% of SGR's portfolio is in the rapidly growing U.S. Sunbelt

#3 New York

% of GLA	11%
# of Properties	12

#2 North Carolina

% of GLA	13%
# of Properties	16

#4 Georgia

% of GLA	7%
# of Properties	9

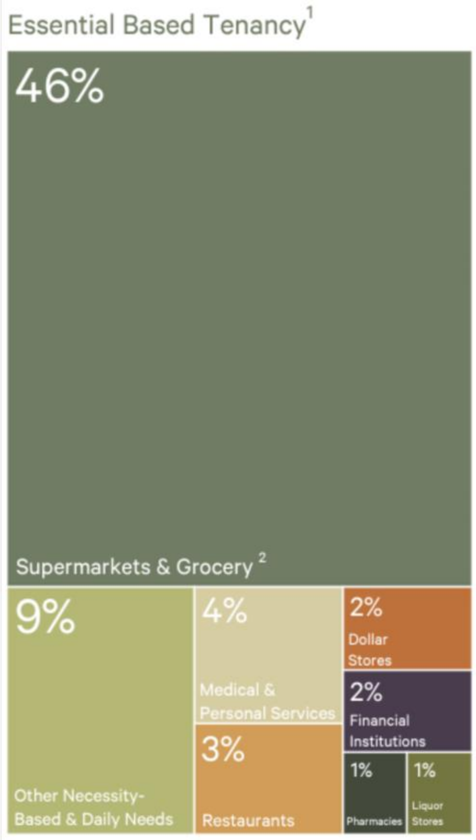
#1 Florida

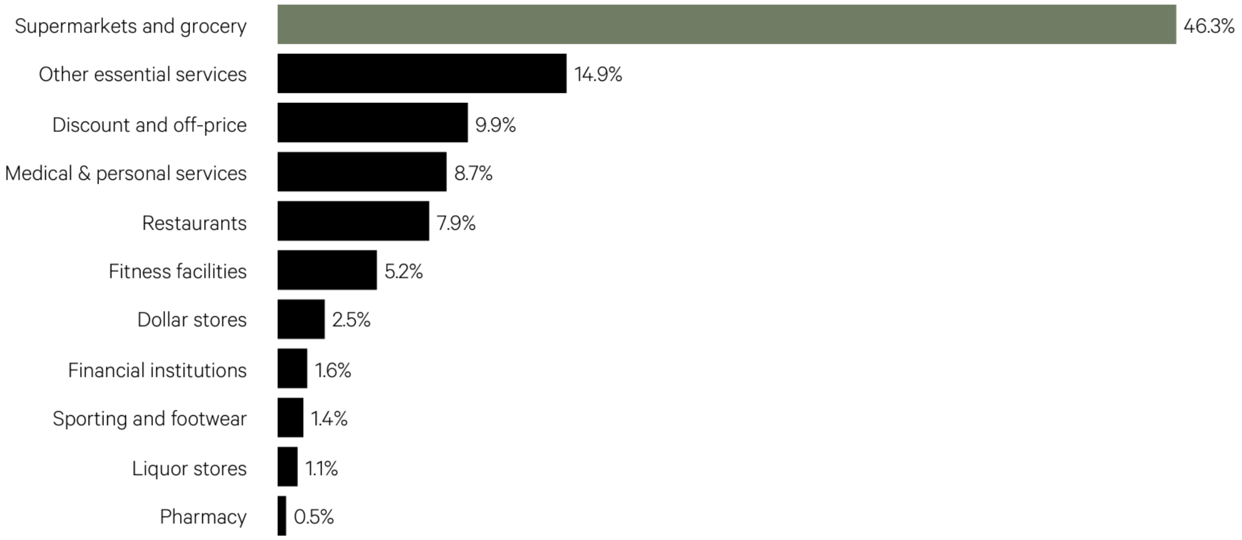
% of GLA	16%
# of Properties	19

Asset Positioning - Breakdown

State	Number of assets	Total SF	Occupied SF	Percentage of revenue	Occupancy
Florida	19	2,470,273	2,374,428	18.7%	96.1%
North Carolina	16	1,917,911	1,822,140	12.6%	95.0%
New York	12	1,703,489	1,492,729	11.5%	87.6%
Georgia	9	1,136,031	1,104,279	7.3%	97.2%
Texas	9	832,142	811,423	5.8%	97.5%
Pennsylvania	6	1,024,017	960,847	5.6%	93.8%
South Carolina	5	845,283	828,811	5.2%	98.1%
Virginia	6	719,888	623,882	4.6%	86.7%
Minnesota	5	573,159	551,188	3.5%	96.2%
Michigan	4	510,892	495,709	3.0%	97.0%
Ohio	3	557,001	549,033	2.6%	98.6%
Illinois	4	409,002	372,665	2.5%	91.1%
Massachusetts	1	273,532	268,032	2.5%	98.0%
Tennessee	5	526,641	523,371	2.4%	99.4%
North Dakota	2	261,578	227,122	2.0%	86.8%
West Virginia	2	389,904	388,025	2.0%	99.5%
Colorado	1	151,548	150,060	1.5%	99.0%
Indiana	2	233,951	217,529	1.5%	93.0%
California	1	194,873	185,257	1.4%	95.1%
Maryland	1	112,314	100,984	1.0%	89.9%
New Hampshire	1	151,946	145,189	1.0%	95.6%
Utah	1	127,507	110,801	0.9%	86.9%
Wisconsin	1	123,028	123,028	0.9%	100.0%
Total [1]	**116**	**15,245,910**	**14,426,532**	**100.0%**	**94.6%**

Tenant Profile - Categories





- 68.4% essential tenants
- 98.8% anchor occupancy

Tenant Profile - Anchor Tenants

Grocery REIT SLATE

Top 5 tenants

Ranked by GLA

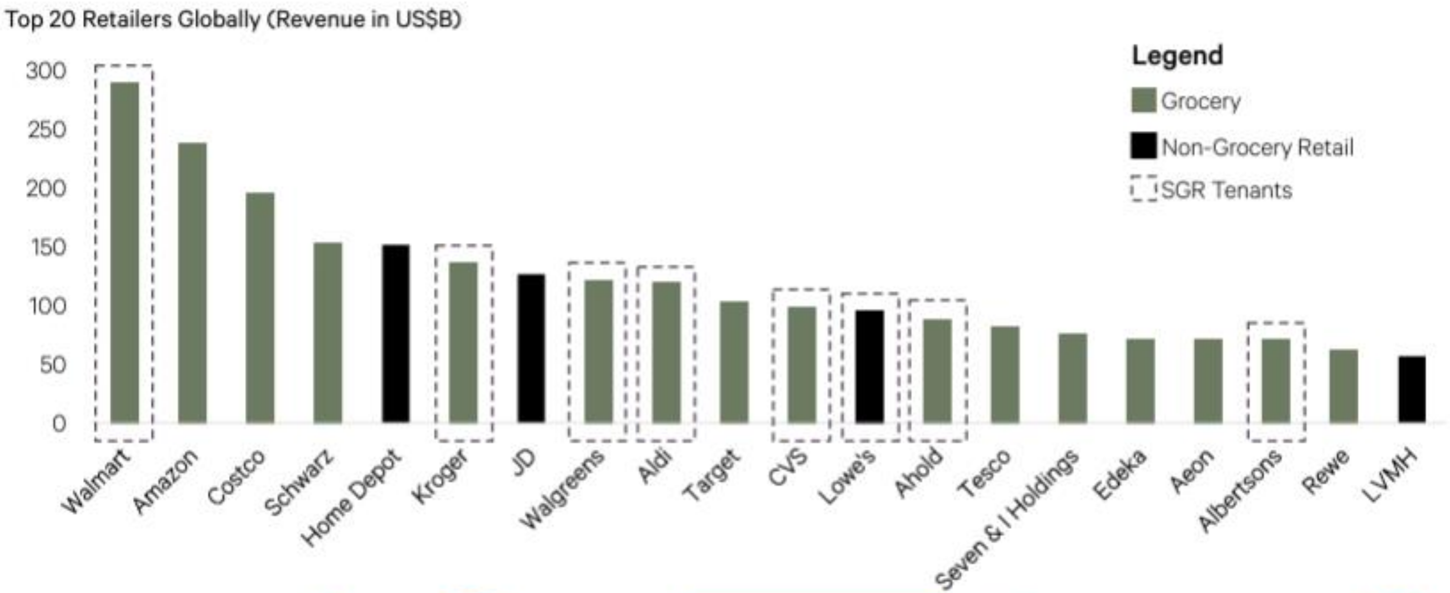
1	9.2%	Kroger
2	9.0%	Walmart
3	3.9%	Ahold Delhaize
4	3.9%	Publix
5	3.6%	Albertsons

70.3% remaining tenants across 1,854 leases

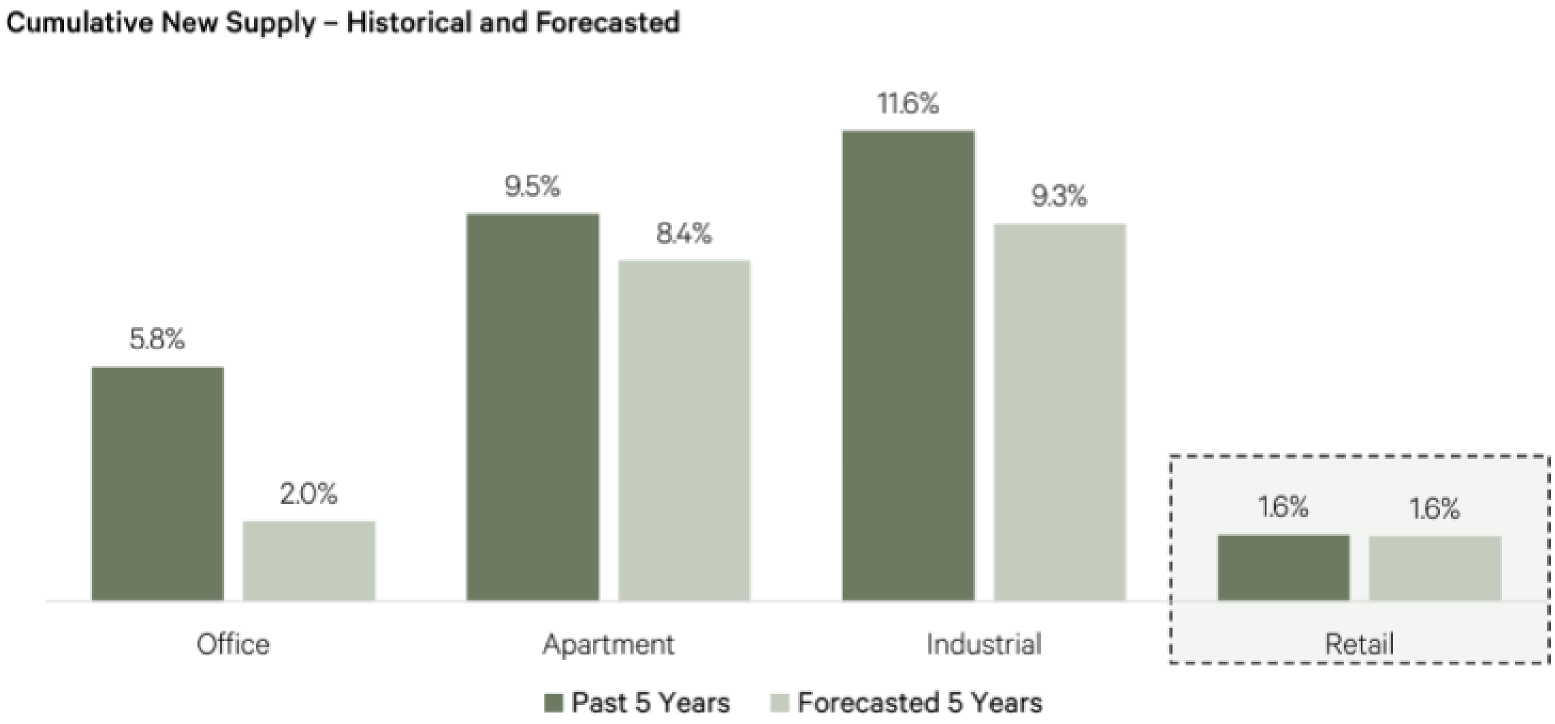
Largest 15 tenants

Parent company	Store brands	Grocery	Stores	% GLA	Base rent	% Base rent
The Kroger Co.	Kroger, Pick 'n Save, Harris Teeter, Mariano's	Y	24	9.2%	$ 10,821	5.9 %
Walmart, Inc.	Wal-Mart, Sams Club	Y	10	9.0%	9,234	5.0 %
Ahold Delhaize	Stop & Shop, GIANT, Food Lion, Hannaford	Y	12	3.9%	7,814	4.3 %
Publix Super Markets, Inc.	Publix	Y	13	3.9%	5,307	2.9 %
Albertsons	Jewel Osco, Acme, Tom Thumb, Safeway	Y	9	3.6%	4,681	2.6 %
Tops Friendly Markets	Tops Markets	Y	8	3.0%	4,386	2.4 %
Dollar Tree, Inc.	Dollar Tree, Family Dollar	N	24	1.5%	2,644	1.4 %
Beall's, Inc.	Beall's, Burke's	N	8	1.9%	2,475	1.4 %
Ross Stores, Inc.	Ross Dress for Less, dd's Discounts	N	8	1.5%	2,408	1.3 %
Southeastern Grocers	Winn Dixie	Y	5	1.6%	2,319	1.3 %
Planet Fitness	Planet Fitness	N	10	1.2%	2,205	1.2 %
United Natural Foods, Inc.	Cub Foods, Shop n' Save, County Market	Y	4	1.4%	2,171	1.2 %
TJX Companies	Marshalls, T.J. Maxx, HomeGoods	N	8	1.4%	2,145	1.2 %
Coborn's, Inc.	Cash Wise	Y	2	0.8%	2,098	1.1 %
Alex Lee Inc.	Lowe's Foods	Y	3	0.9%	1,684	0.9 %
Total[1]			**148**	**44.8%**	**$ 62,392**	**34.1%**

Tenant Profile – Grocery Industry



Retail Space Supply



Leasing Activity

Grocery REIT SLATE

Square feet	Deal type		Q3 2024	Q2 2024	Q1 2024	Q4 2023
Less than 10,000	Renewal	Leases signed	63	58	52	74
		Total square feet	162,375	123,107	153,664	171,454
		Average base rent	$ 22.42	$ 24.96	$ 21.48	$ 25.34
		Rental spread	12.7%	10.8%	13.9%	14.4%
Greater than 10,000	Renewal	Leases signed	9	9	11	10
		Total square feet	564,239	499,025	518,922	305,193
		Average base rent	$ 7.80	$ 8.97	$ 8.19	$ 10.18
		Rental spread	(0.6%)	3.8%	1.5%	6.5%
Total renewals (square feet)			**726,614**	**622,132**	**672,586**	**476,647**
Less than 10,000	New lease	Leases signed	19	24	29	20
		Total square feet	51,259	62,179	88,198	54,337
		Average base rent	$ 22.02	$ 22.64	$ 19.97	$ 19.65
		Rental spread	37.9%	26.6%	27.9%	45.7%
Greater than 10,000	New lease	Leases signed	2	2	1	6
		Total square feet	72,582	22,500	10,000	106,455
		Average base rent	$ 12.86	$ 14.48	$ 19.49	$ 13.66
		Rental spread	12.0%	34.6%	66.4%	21.9%
Total new leases (square feet)			**123,841**	**84,679**	**98,198**	**160,792**
Total leasing activity (square feet)[1]			**850,455**	**706,811**	**770,784**	**637,439**

Portfolio Information

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Summary of Portfolio Information									
Number of properties [1]	116	116	117	117	117	117	117	117	121
Gross leasable area ("GLA") [1]	15,245,910	15,246,124	15,329,814	15,316,529	15,316,802	15,312,744	15,284,170	15,284,265	15,632,405
GLA occupied by grocery-anchors [1]	6,586,943	6,586,943	6,645,958	6,712,077	6,712,077	6,712,077	6,679,309	6,679,309	6,725,836
Occupancy [1]	94.6%	94.2%	94.4%	94.7%	94.1%	93.9%	93.7%	93.2%	93.1%
Anchor occupancy [1]	98.8%	97.9%	98.3%	99.2%	99.3%	99.3%	99.2%	99.2%	100.0%
Non-anchor occupancy [1]	91.2%	91.0%	90.8%	90.5%	89.5%	89.1%	88.7%	87.9%	87.8%
Grocery-anchor weighted average lease term (years) [1]	5.7	5.4	5.3	5.1	5.2	5.4	5.1	5.0	5.2
Portfolio weighted average lease term (years) [1]	5.1	4.8	4.8	4.7	4.7	4.7	4.5	4.5	4.7
Square feet ("SF") of new leasing [1]	123,841	84,679	98,198	160,792	103,142	143,462	137,008	118,159	63,068
SF of total leasing [1]	850,455	706,811	770,784	637,439	691,421	1,002,279	589,804	456,724	523,251

Lease Maturities

Grocery REIT SLATE

	Weighted average term to maturity	GLA [1]	GLA %
Grocery-anchor	5.7	6,586,943	43.2%
Non-anchor	4.5	7,557,194	49.6%
Total	**5.1**	**14,144,137**	**92.8%**
Month-to-month		282,395	1.8%
Vacant		819,378	5.4%
Total GLA		**15,245,910**	**100.0%**

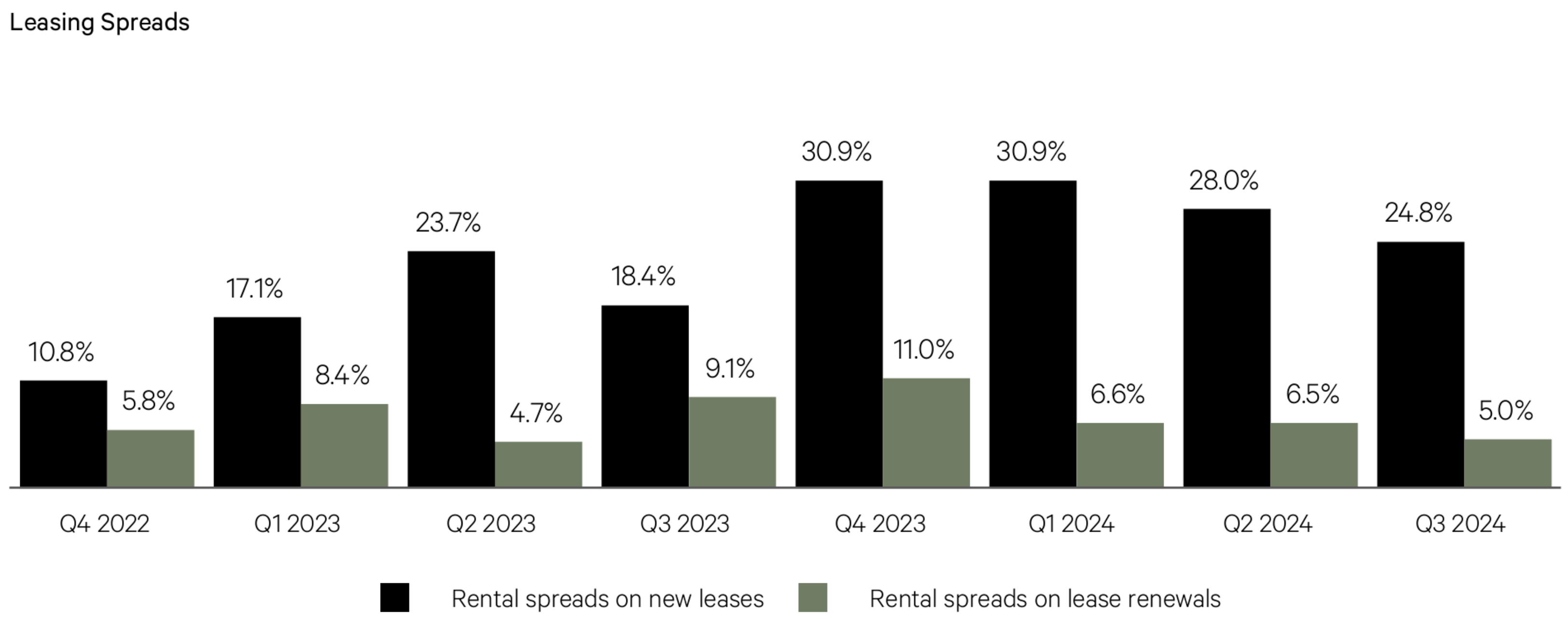
	Grocery-anchor			Non-anchor			Total		
GLA expiration	GLA	Percentage of portfolio	Average in-place rent	GLA	Percentage of portfolio	Average in-place rent	GLA	Percentage of portfolio	Average in-place rent
Month-to-month	—	—%	$ —	282,395	1.8%	$ 14.72	282,395	1.8%	$ 14.72
2024	—	—%	—	220,691	1.4%	17.69	220,691	1.4%	17.69
2025	226,512	1.5%	9.07	854,099	5.6%	16.06	1,080,611	7.1%	14.59
2026	819,843	5.4%	9.92	1,016,178	6.7%	16.26	1,836,021	12.1%	13.43
2027	744,567	4.9%	8.87	1,055,603	6.9%	15.74	1,800,170	11.8%	12.90
2028	1,288,912	8.5%	9.42	1,363,425	9.0%	15.36	2,652,337	17.5%	12.47
2029+	3,507,109	23.0%	8.68	3,047,198	19.9%	15.34	6,554,307	42.9%	11.78
Vacant	66,120	0.5%	N/A	753,258	4.9%	N/A	819,378	5.4%	N/A
Total / weighted average [1]	**6,653,063**	**43.8%**	**$ 9.01**	**8,592,847**	**56.2%**	**$ 15.64**	**15,245,910**	**100.0%**	**$ 12.61**

Retention and Occupancy Rates

Retention rate [1]	Three months ended September 30, 2024	Nine months ended September 30, 2024	Year ended December 31, 2023
Grocery-anchor	99.0%	98.7%	100.0%
Non-grocery-anchor	91.2%	91.0%	89.5%
Net total / weighted average [2]	**94.6%**	**94.4%**	**94.1%**

Historical Occupancy Rates

Leasing Spreads



Rental spread = spread between the new/renewed leases and the expired lease on the same property

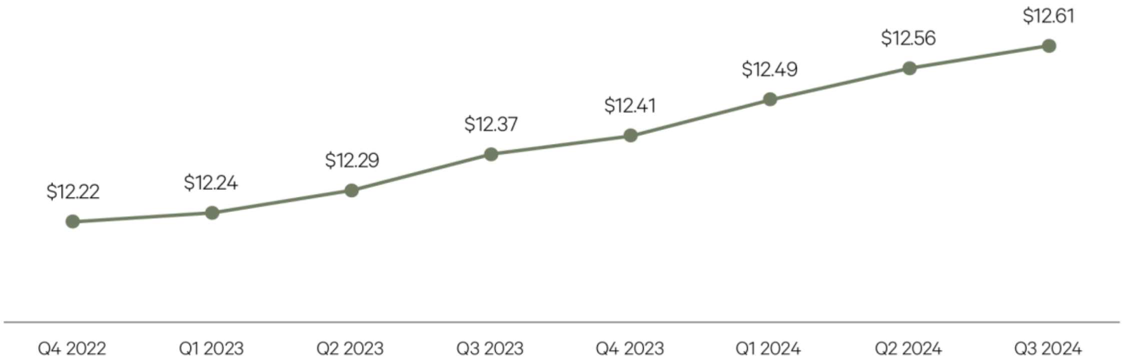
In-Place Rents

Grocery REIT SLATE

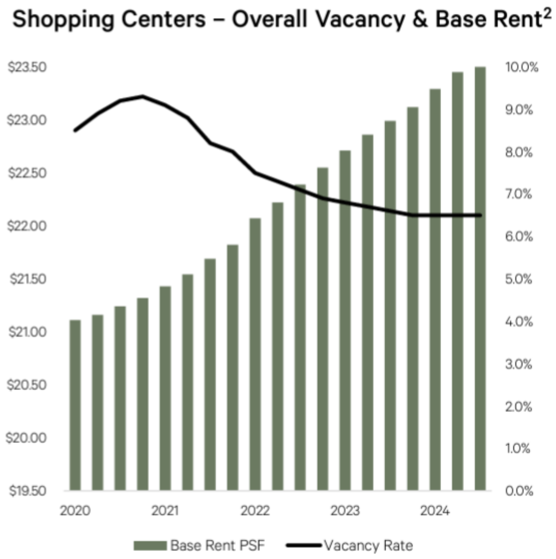
The REIT's leasing activity during the nine month period ended September 30, 2024 is as follows:

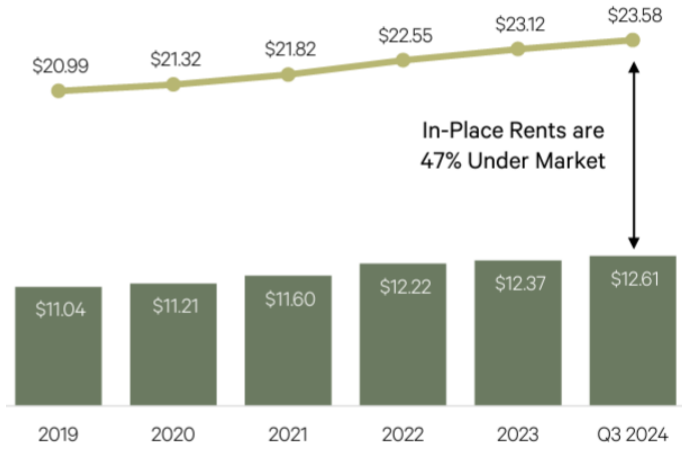
	GLA	Number of tenants	Weighted average expiring rent	Weighted average new rent
Renewed leases	2,021,332	202	$ 10.80	$ 11.45
New leases	306,718	77	N/A	18.75
Total / weighted average	**2,328,050**	**279**	**$ 10.80**	**$ 12.41**
Less, leases not renewed / vacated during term [1]	(307,470)	(73)	15.07	N/A
Net total / weighted average [2]	**2,020,580**	**206**	**N/A**	**$ 12.41**

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Grocery rent	$ 9.01	$ 9.01	$ 9.03	$ 9.06	$ 9.05	$ 9.04	$ 9.05	$ 9.04
Shop space rent	15.64	15.57	15.42	15.30	15.26	15.14	15.02	15.03
Total [1]	**$ 12.61**	**$ 12.56**	**$ 12.49**	**$ 12.41**	**$ 12.37**	**$ 12.29**	**$ 12.24**	**$ 12.22**



In-Place Rents – Industry vs. Slate





Redevelopment Properties - East Little Creek and Culver Ridge Plaza

Grocery REIT SLATE

East Little Creek

- 66,000 square foot single tenant shopping center
- Demolition of existing box and redevelopment of anchor and in-line units
- Located in Northfolk, Virginia
- Previouly occupied by Kroger

Culver Ridge Plaza

- 225,000 square foot shopping center
- Re-dimising unit into three junior anchor spaces with two small in-line units
- Located in Irondequoit, New York
- Occupied by Marshalls, Dollar Tree, and Petco

Acquisitions and Joint Ventures

Joint Venture with Slate North American Essential Real Estate Income Fund L.P.

- Acquisition completed July 15, 2022
- Acquired 14 properties comprising 2.5 million square feet at US$425 million
- 6.9% capitalization or US$174 per square foot
- Formed strategic joint venture with NA Essential Fund making an initial investment of US$180 million
- Rest is funded through bank financing and balance sheet liquidity

- Significant concentration of assets in the rapidly growing Sunbelt Region – Significantly increases the REIT's exposure to Florida, North Carolina, and Georgia – leading markets for population growth in the US.
- Comprised of a wide range of high-performing grocers – Increases the REIT's exposure to leading national grocers, including Publix, Ahold Delhaize, Albertsons, and Walmart.
- Attractive valuation and defensive basis – Low acquisition basis of US$174 per square foot ("PSF") with below market rents.
- Significantly increases the size and scale of the REIT's portfolio – The REIT's pro forma portfolio will comprise 15.7 million square feet and US$2.4 billion of essential grocery-anchored real estate.

Acquisition of US$390M Grocery-Anchored Portfolio

- Acquisition completed September 22, 2021
- Acquired 25 properties comprising 3.1 million square feet at US$390 million
- 7.8% capitalization or US$127 per square foot
- Equity purchase price of US$90 million and assumption of existing debt
- Funded through assumption of debt and subscription receipts offering of C$133 million

- Increases the REIT's exposure to certain of America's largest metropolitan statistical areas ("MSA"), with 83% of the Portfolio's income derived from the top-50 MSAs
- Materially increases the REIT's presence in New York and Dallas two of the largest MSAs in America which account for 46% of the Portfolio's income
- Omnichannel focused assets with 95% of grocers offering e-commerce fulfillment and strategically located in high density neighborhoods in close proximity to transportation routes
- Essential tenants comprise 74% of the Portfolio's income including 39% from grocers
- Portfolio is anchored by market leading grocers including Tops and Market 32 (Price Chopper), Tom Thumb (Albertson's), Kroger, Stop & Shop (Ahold Delhaize), Acme Markets (Albertson's) and Walmart among others

Acquisitions and Joint Ventures

Grocery REIT SLATE

Acquisition of US$8.5M Grocery-Anchored Property

- Acquisition completed July 16, 2021
- Acquired 1 property comprising 104,679 square feet
- Secured 15-year long-term lease with Kroger

- Resilient tenancies with 78% of revenue derived from essential tenants and 65% from Kroger, the number one grocer in the Indianapolis metropolitan statistical area.
- Existing occupancy of 85% provides upside through the lease-up of in-line vacancies.

Acquisitions and Joint Ventures

Acquisition of US$90.0 Grocery-Anchored Portfolio

- Acquisition completed June 1, 2020
- Acquired 7 properties comprising 623,766 square feet at US$90.0M
- US$144 per square foot
- Funded through existing balance sheet capital
- Properties located in the Southeastern and Mid-Atlantic

Prior to this acquisition, Slate has not made any acquisitions since 2017

Property	Metropolitan Statistical Area	Anchor	Square Feet
Alexander Pointe	Charlotte, NC	Harris Teeter	57,710
Bermuda Crossroads	Richmond, VA	Food Lion	122,566
Gainsborough Square	Virginia Beach – Norfolk – Newport News, VA	Food Lion	88,862
Harper Hill Commons	Winston – Salem, NC	Harris Teeter	96,914
Indian Lakes Crossing	Virginia Beach – Norfolk – Newport News, VA	Harris Teeter	64,973
Renaissance Square	Charlotte, NC	Harris Teeter	80,467
Stone House Square	Washington – Baltimore, MD	Weis Markets	112,274
Total			623,766

Leadership Team Overview

Blair Welch

Chief Executive Officer

Joe Pleckaitis

Chief Financial Officer

Bozena Jankowska

Managing Director, Global Head of ESG

Connor O'Brien

Managing Director

Ramsey Ali

Corporate Secretary and General Counsel

Lisa Rowe

Partner

CEO - Blair Welch

Grocery REIT SLATE

- Co-founded Slate Asset Management in 2005
- Appointed in 2022
- 25 years of real estate industry experience working in direct investment, investment banking, development and securitization across North America, Europe and Asia
- Fortress Investment Group, Bankers Trust, First National Financial Corporation and Brazos Advisors (now Lone Star)
- Bachelor of Commerce degree from the University of British Columbia

- CEO was previously David Dunn from 2020-2022 and Greg Stevenson prior

CFO - Joe Pleckaitis

- CFO for Slate Grocery REIT since 2023
- Joined Slate in 2017
- Prior to Slate, Joe worked in the real estate audit group at Deloitte LLP
- Bachelor of Commerce degree from Carleton University

- CFO was previously Andrew Agatep

Managing Director, ESG - Bozena Jankowska

- Joined Slate in 2021
- Managing Director and the Global Head of ESG at Slate Asset Management
- Two decades of experience at the interface of finance and corporate responsibility
- Laing Technology Group and Allianz Global Investors
- Bachelor of Science in Environmental Science from the University of Sussex and Masters of Science in Environment Technology at Imperial College

Managing Director - Connor O’Brien

- Joined Slate in 2012 as an Acquisitions Analyst
- Responsible for the origination and execution of acquisitions and dispositions across North America, as well as the strategic oversight of Slate Grocery REIT and Slate’s investment strategy focused on essential real estate in North America
- Held various investment and asset management roles throughout Slate and was responsible for opening the Frankfurt office in 2016 which established Slate’s business in Europe
- Bachelor of Business Administration from Western University

Corporate Secretary and General Counsel - Ramsey Ali

- Joined Slate in 2012 as an Acquisitions Analyst
- Involved in the overall business strategy, transaction execution and structuring from legal, business and taxation perspectives for all of Slate’s investments
- Practiced law as part of commercial real estate group at Goodmans LLP and General Counsel at Forum Equity Partners
- Bachelor of Commerce from University of Guelph and law degree (JD) from the University of Toronto

Partner - Lisa Rowe

- Joined Slate in 2013 as a Senior Vice President
- Responsible for all aspects of tax, structuring, and reporting across all Slate's business vehicles
- Previously at Deloitte LLP in their Mergers and Acquisitions Tax group
- CPA and Bachelor of Business Administration degree from York University

Board of Trustees Overview

Grocery REIT
SLATE

Andrea Stephen
Trustee and Chair of the Board

Colum Bastable
Trustee

Patrick Flatley
Trustee

Marc Rouleau
Trustee

Mary Vitug
Trustee

Christopher Chee
Trustee

Blair Welch
Chief Executive Officer

Brady Welch
Founding Partner

Board of Trustees Overview

Name	Independent	Audit	Investment	Compensation, Governance and Nominating
Andrea Stephen (Chair)	Yes	Member	Chair	Member
Colum Bastable	Yes	Chair	Member	Member
Patrick Flatley	Yes		Member	
Marc Rouleau	Yes	Member		Chair
Mary Vitug	Yes	Member		Member
Christopher Chee	Yes		Member	
Blair Welch	No		Member	
Brady Welch	No			

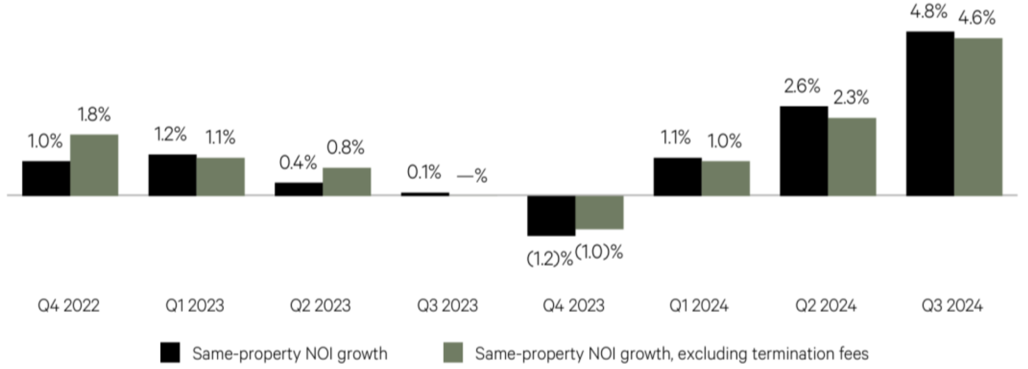
2024Q3 Financial Performance - Net Operating Income

Grocery REIT SLATE

Quarter ended	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Rental revenue	$ 52,325	$ 51,818	$ 51,915	$ 51,539	$ 50,629	$ 50,324	$ 50,789	$ 50,655
Property operating expenses [1]	(8,742)	(9,134)	(37,600)	(9,209)	(8,830)	(8,835)	(36,917)	(7,352)
Straight-line rent revenue	(110)	(30)	(114)	(95)	(391)	(156)	(118)	(175)
IFRIC 21 property tax adjustment [1]	(6,778)	(6,696)	21,145	(7,360)	(6,532)	(6,655)	20,547	(7,278)
Adjustments for joint venture investments	5,202	5,484	5,226	5,264	5,306	5,635	5,537	4,749
NOI [2 3]	$ 41,897	$ 41,442	$ 40,572	$ 40,139	$ 40,182	$ 40,313	$ 39,838	$ 40,599
Net income (loss) [3]	$ 7,248	$ 14,003	$ 13,612	$ 5,177	$ 12,370	$ 18,948	$ (14,831)	$ 18,506
Net income (loss) per WA unit [3]	$ 0.12	$ 0.23	$ 0.23	$ 0.09	$ 0.20	$ 0.31	$ (0.24)	$ 0.30

2024Q3 Financial Performance – Same-Property NOI

	Number of properties	2024	2023	Variance	Change (%)
		Trailing twelve months, September 30,			
Same-property NOI [1]	**110**	**$ 154,649**	**$ 152,294**	**$ 2,355**	**1.5%**
NOI attributable to redeveloped properties	4	7,166	4,808	2,358	
NOI attributable to properties under redevelopment	2	1,394	2,247	(853)	
NOI attributable to dispositions, including outparcel sales	5	841	1,583	(742)	
Total NOI [1]		**$ 164,050**	**$ 160,932**	**$ 3,118**	**1.9%**
Occupancy, same-property [1]	**110**	**95.2%**	**94.5%**	**0.7%**	
Occupancy, redeveloped properties	4	92.3%	89.0%	3.3%	
Occupancy, properties under redevelopment	2	58.4%	73.8%	(15.4%)	
Occupancy, dispositions, including outparcel sales	5	—%	93.7%	(93.7%)	
Occupancy, portfolio [1]		**94.6%**	**94.1%**	**0.5%**	



2024Q3 Financial Performance – AFFO & FFO

Quarter ended	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
FFO [2 3]	$ 17,552	$ 17,472	$ 16,198	$ 15,991	$ 16,329	$ 16,513	$ 15,955	$ 16,799
FFO per WA units [2 3]	$ 0.29	$ 0.29	$ 0.27	$ 0.27	$ 0.27	$ 0.27	$ 0.26	$ 0.27
AFFO [2 3]	$ 14,303	$ 14,095	$ 13,045	$ 13,029	$ 13,061	$ 13,603	$ 13,397	$ 13,789
AFFO per WA units [2 3]	$ 0.24	$ 0.23	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.22

Both FFO and AFFO has increased from the previous quarter and are the highest in the last two years.

2024Q3 Financial Performance - Distributions

Grocery REIT SLATE

Quarter ended	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Distributions declared	$ 12,968	$ 12,968	$ 12,968	$ 12,968	$ 13,006	$ 13,095	$ 13,218	$ 13,236
Distributions per unit	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.22	$ 0.22

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
FFO	$ 17,552	$ 16,329	$ 51,222	$ 48,797
Distributions declared	(12,968)	(13,006)	(38,904)	(39,319)
Excess of FFO over distributions declared	**$ 4,584**	**$ 3,323**	**$ 12,318**	**$ 9,478**
FFO payout ratio [1]	**73.9%**	**79.6%**	**76.0%**	**80.6%**

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
AFFO	$ 14,303	$ 13,061	$ 41,443	$ 40,061
Distributions declared [1]	(12,968)	(13,006)	(38,904)	(39,319)
Excess of AFFO over distributions declared	**$ 1,335**	**$ 55**	**$ 2,539**	**$ 742**
AFFO payout ratio	**90.7%**	**99.6%**	**93.9%**	**98.1%**

Distribution has consistent on a per share basis over the past 2 years.

2024Q3 Financial Performance - NAV

	September 30, 2024		December 31, 2023	
Properties	$	2,052,522	$	2,062,599
Other non-current assets		111,552		115,471
Current assets		59,124		57,728
Debt		(1,157,092)		(1,161,756)
Other non-current liabilities		(6,273)		(4,346)
Current liabilities		(50,419)		(47,540)
Non-controlling interest		(178,122)		(179,793)
NAV	**$**	**831,292**	**$**	**842,363**
Class U units outstanding		60,357		60,301
NAV per unit	**$**	**13.77**	**$**	**13.97**

Current share price = 13.71, trading at a slight discount

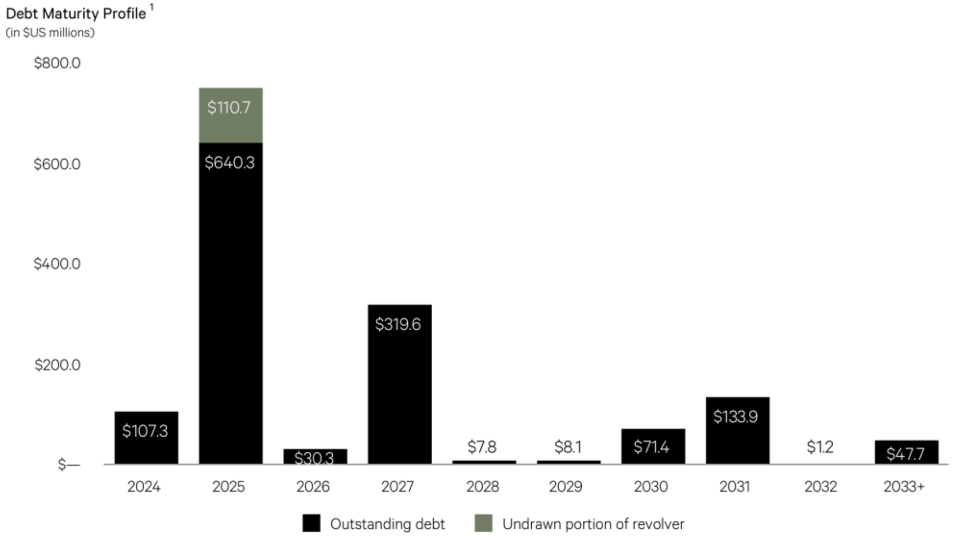
2024Q3 Financial Performance – Debt Breakdown

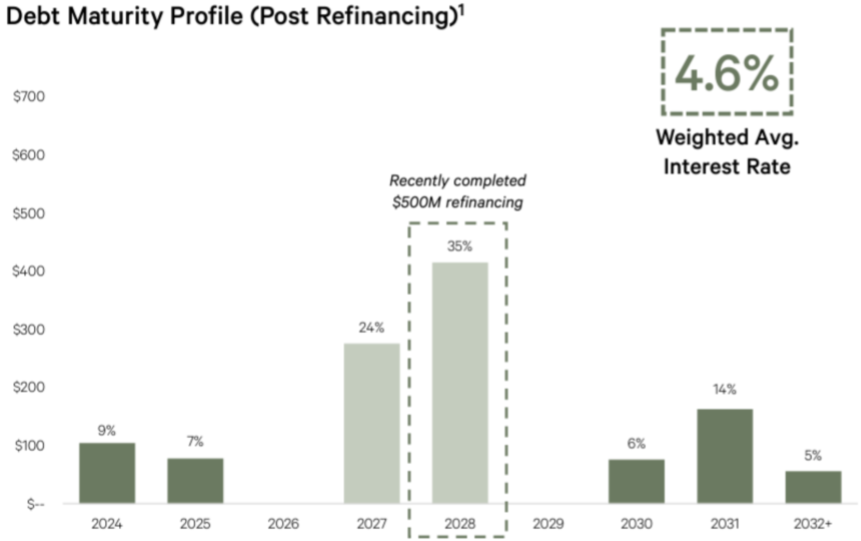
Grocery REIT SLATE

	Maturity	Term to maturity (years)	Effective rate	Principal	Mark-to-market adjustments and costs	September 30, 2024 Carrying amount	December 31, 2023 Carrying amount
Revolver [1,2,3,4]	March 21, 2025	0.5	7.0 %	$ 189,280	$ —	$ 189,280	$ 188,108
Term loan [1,2,4]	March 21, 2025	0.5	6.9 %	225,000	(136)	224,864	224,647
Term loan 3 [1,2,4]	July 15, 2027	2.8	6.9 %	275,000	(3,110)	271,890	271,065
Mortgage	December 6, 2024	0.2	4.0 %	103,950	32	103,982	104,115
Mortgage	January 1, 2025	0.3	3.8 %	38,010	(39)	37,971	38,760
Mortgage	July 1, 2025	0.8	4.1 %	31,546	(66)	31,480	33,013
Mortgage	August 1, 2025	0.8	4.4 %	7,700	18	7,718	7,734
Mortgage	March 18, 2030	5.5	3.5 %	75,730	(871)	74,859	76,091
Mortgage	January 1, 2031	6.3	5.5 %	4,847	82	4,929	5,408
Mortgage	May 1, 2031	6.6	3.8 %	157,273	(1,947)	155,326	157,662
Mortgage	February 1, 2033	8.3	5.5 %	55,565	(772)	54,793	55,153
Total / weighted average		**2.5**	**4.6%** [5]	**$ 1,163,901**	**$ (6,809)**	**$ 1,157,092**	**$ 1,161,756**
Share of joint venture investments' debt						**204,740**	**207,297**
Total / weighted average, proportionate basis						**$ 1,361,832**	**$ 1,369,053**

Figures are prior to $500M debt refinancing

2024Q3 Financial Performance – Debt Structure





2024Q3 Financial Performance – Debt Structure

	September 30, 2024	December 31, 2023
GBV	$ 2,223,198	$ 2,235,798
Debt	1,157,092	1,161,756
Leverage ratio	**52.0%**	**52.0%**

Leverage ratio is consistent with PY

	Threshold	September 30, 2024	December 31, 2023
Maximum leverage ratio: consolidated total indebtedness shall not exceed 65% of gross asset value	< 65%	53.2%	54.4%
Minimum fixed charge coverage ratio: adjusted EBITDA to consolidated fixed charges shall not be less than 1.50x [1]	> 1.50x	1.98x	2.22x

Ratios are within covenants

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
NOI	$ 41,897	$ 40,182	$ 123,911	$ 120,333
General and administrative expenses	(3,988)	(3,935)	(11,882)	(11,567)
Adjusted EBITDA	**$ 37,909**	**$ 36,247**	**$ 112,029**	**$ 108,766**
Cash interest paid	(13,573)	(12,458)	(40,740)	(37,170)
Interest coverage ratio	**2.79x**	**2.91x**	**2.75x**	**2.93x**

Interest coverage ratio decreased

2024 Q3 Balance Sheet (in thousands of USD)

Grocery REIT SLATE

	Note	September 30, 2024	December 31, 2023
ASSETS			
Non-current assets			
Properties	5	$ 2,052,522	$ 2,062,599
Joint venture investments	6	111,191	107,101
Interest rate swaps	8	—	7,652
Other assets		361	718
		$ 2,164,074	**$ 2,178,070**
Current assets			
Cash		19,648	23,587
Accounts receivable	7	22,396	22,172
Other assets		6,342	6,985
Prepaids		7,632	4,984
Interest rate swaps	8	3,106	—
		$ 59,124	**$ 57,728**
Total assets		**$ 2,223,198**	**$ 2,235,798**

2024 Q3 Balance Sheet (in thousands of USD)

Grocery REIT SLATE

	Note	September 30, 2024		December 31, 2023	
LIABILITIES					
Non-current liabilities					
Debt	9	$	554,938	$	859,637
Interest rate swaps	8		2,349		—
Deferred income taxes			150,039		146,651
Other liabilities			3,924		4,346
		$	**711,250**	**$**	**1,010,634**
Current liabilities					
Debt	9		602,154		302,119
Accounts payable and accrued liabilities	11		46,096		43,217
Exchangeable units of subsidiaries	12		9,433		8,269
Distributions payable	13		4,323		4,323
		$	**662,006**	**$**	**357,928**
Total liabilities		**$**	**1,373,256**	**$**	**1,368,562**
EQUITY					
Unitholders' equity		$	671,820	$	687,443
Non-controlling interest	14		178,122		179,793
Total equity		**$**	**849,942**	**$**	**867,236**
Total liabilities and equity		**$**	**2,223,198**	**$**	**2,235,798**

2023 Balance Sheet (in thousands of USD)

Slate Grocery REIT

	Note	December 31, 2023	December 31, 2022
ASSETS			
Non-current assets			
Properties	4, 5	$ 2,062,599	$ 2,087,432
Joint venture investments	6	107,101	109,456
Interest rate swaps	10	7,652	16,416
Other assets	7	718	1,189
		$ 2,178,070	**$ 2,214,493**
Current assets			
Cash		23,587	20,392
Accounts receivable	8	22,172	23,649
Other assets	7	6,985	5,175
Prepaids		4,984	4,376
Interest rate swaps	10	—	2,315
		$ 57,728	**$ 55,907**
Total assets		**$ 2,235,798**	**$ 2,270,400**

2023 Balance Sheet (in thousands of USD)

Grocery REIT
SLATE

	Note	December 31, 2023		December 31, 2022	
LIABILITIES					
Non-current liabilities					
Debt	9	$	859,637	$	1,039,621
Deferred income taxes	12		146,651		150,108
Exchangeable units of subsidiaries	11		8,269		10,082
Other liabilities			5,082		4,836
		$	**1,019,639**	**$**	**1,204,647**
Current liabilities					
Debt	9		302,119		91,866
Accounts payable and accrued liabilities	13		42,481		38,373
Distributions payable	18		4,323		4,412
		$	**348,923**	**$**	**134,651**
Total liabilities		**$**	**1,368,562**	**$**	**1,339,298**
EQUITY					
Unitholders' equity		$	687,443	$	740,510
Non-controlling interest	14		179,793		190,592
Total equity		**$**	**867,236**	**$**	**931,102**
Total liabilities and equity		**$**	**2,235,798**	**$**	**2,270,400**

2023 Income Statement (in thousands of USD)

Grocery REIT SLATE

	Note		Year ended December 31, 2023		2022
Rental revenue	15	$	203,281	$	177,485
Property operating expenses			(63,791)		(50,071)
General and administrative expenses	16		(15,583)		(14,951)
Interest and finance costs	17		(52,413)		(47,005)
Share of income in joint venture investments	6		3,708		29,270
Transaction costs	4		—		(1,734)
Change in fair value of financial instruments			(3,284)		—
Change in fair value of properties	5		(50,389)		80,719
Net income before income taxes and unit income (expense)		**$**	**21,529**	**$**	**173,713**
Deferred income tax recovery (expense)	12		1,332		(33,679)
Current income tax expense	12		(2,625)		(359)
Unit income (expense)	18		1,428		(802)
Net income		**$**	**21,664**	**$**	**138,873**
Net income attributable to					
Unitholders		$	15,024	$	128,002
Non-controlling interest	14		6,640		10,871

2024 Q3 Income Statement (in thousands of USD)

Grocery REIT SLATE

	Note	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Rental revenue	15	$ 52,325	$ 50,629	$ 156,058	$ 151,742
Property operating expenses		(8,742)	(8,830)	(55,476)	(54,582)
General and administrative expenses	16	(3,988)	(3,935)	(11,882)	(11,567)
Interest and finance costs	17	(13,926)	(12,854)	(41,939)	(38,634)
Share of income (loss) in joint venture investments	6	1,440	(1,358)	6,147	3,891
Disposition costs		(8)	—	(298)	—
Change in fair value of financial instruments		(3,606)	(782)	(1,148)	730
Change in fair value of properties	5	(11,395)	(9,621)	(9,419)	(37,914)
Net income before income taxes and unit (expense) income		**$ 12,100**	**$ 13,249**	**$ 42,043**	**$ 13,666**
Deferred income tax (expense) recovery	10	(1,845)	(1,583)	(5,006)	2,544
Current income tax recovery (expense)		70	(981)	(34)	(2,442)
Unit (expense) income	18	(3,077)	1,685	(2,140)	2,719
Net income		**$ 7,248**	**$ 12,370**	**$ 34,863**	**$ 16,487**
Net income attributable to					
Unitholders		$ 4,603	$ 9,131	$ 26,237	$ 11,653
Non-controlling interest	14	2,645	3,239	8,626	4,834

2023 Cash Flow Statement (in thousands of USD)

Grocery REIT
SLATE

	Note	Year ended December 31, 2023		2022	
OPERATING ACTIVITIES					
Net income		$	21,664	$	138,873
Items not affecting cash					
Straight-line rent	5		(760)		(238)
Change in fair value of financial instruments			3,284		—
Change in fair value of properties	5		50,389		(80,719)
IFRIC 21 property tax adjustment	5		—		(2,618)
Deferred income tax (recovery) expense	12		(1,332)		33,679
Unit (income) expense	18		(1,428)		802
Share of income in joint venture investments	6		(3,708)		(29,270)
Interest and finance costs	17		52,413		47,005
Cash interest paid, net	17		(50,446)		(45,047)
Changes in working capital items			6,223		(3,481)
		$	**76,299**	**$**	**58,986**

2023 Cash Flow Statement (in thousands of USD)

Grocery REIT
SLATE

	Note		Year ended December 31, 2023		2022
INVESTING ACTIVITIES					
Acquisitions	4, 5		(201)		(422,068)
Dispositions	4, 5		—		54,277
Contributions to joint venture investments	6		—		(100)
Distributions from joint venture investments	6		6,063		7,218
Funds held in escrow	7		(1,819)		(124)
Capital expenditures	5		(4,521)		(7,040)
Leasing costs	5		(3,083)		(1,358)
Tenant improvements	5		(3,891)		(2,200)
Development and expansion capital	5		(13,100)		(10,348)
		$	**(20,552)**	**$**	**(381,743)**
FINANCING ACTIVITIES					
Revolver advances, net of financing costs	23		69,073		107,355
Term loan advances, net of financing costs	23		—		269,619
Mortgage advances, net of financing costs	23		55,071		—
Revolver, term loan and mortgage repayments	23		(96,475)		(185,318)
Sale of interest in subsidiary	14		—		180,000
Repurchases of REIT units, net	11		(11,932)		—
Equity offering proceeds, net	11		—		18,021
REIT unit distributions	18		(51,592)		(51,722)
Exchangeable units of subsidiaries distributions	18		(784)		(809)
Distributions to non-controlling interest			(15,913)		(8,035)
		$	**(52,552)**	**$**	**329,111**
Increase in cash			**3,195**		**6,354**
Cash, beginning of the period			**20,392**		**14,038**
Cash, end of the period		**$**	**23,587**	**$**	**20,392**

Distributions of ~52M are covered entirely by CFO

2024 Q3 Cash Flow Statement (in thousands of USD)

Grocery REIT
SLATE

	Note	Nine months ended September 30, 2024	2023
OPERATING ACTIVITIES			
Net income		$ 34,863	$ 16,487
Items not affecting cash			
Straight-line rent	5	(254)	(665)
Change in fair value of financial instruments		1,148	(730)
Change in fair value of properties	5	9,419	37,914
IFRIC 21 property tax adjustment	5	7,671	7,360
Deferred income tax expense (recovery)		5,006	(2,544)
Unit expense (income)	18	2,140	(2,719)
Share of income in joint venture investments	6	(6,147)	(3,891)
Interest and finance costs	17	41,939	38,634
Cash interest paid, net	17	(40,740)	(37,170)
Changes in working capital items		(203)	12,202
		$ 54,842	**$ 64,878**

2024 Q3 Cash Flow Statement (in thousands of USD)

Grocery REIT
SLATE

	Note	Nine months ended September 30, 2024	2023
INVESTING ACTIVITIES			
Acquisitions		—	(201)
Dispositions	4	11,881	—
Contributions to joint venture investments	6	(880)	—
Distributions from joint venture investments	6	2,937	5,435
Funds held in escrow		1,065	(787)
Capital expenditures	5	(3,594)	(4,116)
Leasing costs	5	(2,097)	(2,131)
Tenant improvements	5	(3,678)	(2,301)
Development and expansion capital	5	(9,717)	(7,372)
		$ (4,083)	**$ (11,473)**
FINANCING ACTIVITIES			
Revolver advances, net of financing costs	23	13,445	50,516
Term loan advances, net of financing costs	23	—	55,071
Revolver, term loan and mortgage repayments	23	(20,103)	(94,215)
Repurchases of REIT units, net	13	—	(11,932)
REIT unit distributions	13	(38,316)	(38,820)
Exchangeable units of subsidiaries distributions	18	(588)	(588)
Distributions to non-controlling interest		(9,136)	(12,093)
		$ (54,698)	**$ (52,061)**
(Decrease) increase in cash		**(3,939)**	**1,344**
Cash, beginning of the period		**23,587**	**20,392**
Cash, end of the period		**$ 19,648**	**$ 21,736**

Analyst Recommendation

- Attractive yield at 8.77%
- Distributions are entirely covered by operating cash flows
- Consistent distributions with room for growth based on leasing and rent spreads
- Strong tenant profile
- Consistently high occupancy rates with WALT of 5.1 = consistent income
- Ability to restructure debt demonstrated by $500M refinancing in 2024 Q3

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Company Snapshot (Nov 6, 2024)

Toronto - Delayed Quote • CAD

First Capital Real Estate Investment Trust (FCR-UN.TO)

Follow | Compare

17.82 +0.08 (+0.45%)

At close: 4:00 p.m. EST

1D 5D 1M 3M YTD 1Y 5Y All — Key Events — Mountain — Advanced Chart

Previous Close	17.74	Day's Range	17.69 - 17.92	Market Cap (intraday)	3.784B	Earnings ...	Feb 4, 2025 - Feb 10, 2025
Open	17.72	52 Week Range	13.50 - 18.98	Beta (5Y Monthly)	1.28	Forward Dividend & Yield	0.86 (4.87%)
Bid	17.83 x --	Volume	244,842	PE Ratio (TTM)	10.93	Ex-Dividend Date	Oct 31, 2024
Ask	17.85 x --	Avg. Volume	331,241	EPS (TTM)	1.63	1y Target Est	20.30

Key Statistics - Valuation

FIRST CAPITAL

Valuation Measures

	Current	2024-09-30	2024-06-30	2024-03-31	2023-12-31	2023-09-30
Market Cap	3.77B	3.98B	3.12B	3.33B	3.25B	2.82B
Enterprise Value	7.78B	7.95B	7.11B	7.39B	7.31B	6.92B
Trailing P/E	10.90	--	--	--	--	--
Forward P/E	14.62	15.08	12.06	13.64	13.24	11.25
PEG Ratio (5yr expected)	--	--	--	--	--	--
Price/Sales	5.35	5.69	4.49	4.85	4.70	4.06
Price/Book	0.95	1.01	0.79	0.85	0.85	0.67
Enterprise Value/Revenue	11.05	11.38	10.23	10.74	10.54	9.95
Enterprise Value/EBITDA	14.62	96.39	151.25	392.22	28.03	3.21k

Key Statistics - Stock

FIRST CAPITAL

Stock Price History

Beta (5Y Monthly)	1.28
52 Week Range [3]	26.71%
S&P 500 52-Week Change [3]	33.49%
52 Week High [3]	18.98
52 Week Low [3]	13.50
50-Day Moving Average [3]	18.12
200-Day Moving Average [3]	16.25

Profitability

Profit Margin	46.44%
Operating Margin (ttm)	54.61%

Management Effectiveness

Return on Assets (ttm)	2.88%
Return on Equity (ttm)	8.75%

Dividends & Splits

Forward Annual Dividend Rate [4]	0.86
Forward Annual Dividend Yield [4]	4.87%
Trailing Annual Dividend Rate [3]	0.86
Trailing Annual Dividend Yield [3]	4.87%
5 Year Average Dividend Yield [4]	4.52
Payout Ratio [4]	53.06%
Dividend Date [3]	2024-11-15
Ex-Dividend Date [4]	2024-10-31
Last Split Factor [2]	32:20
Last Split Date [3]	2010-05-25

Key Statistics - Financials

FIRST CAPITAL

Income Statement

Revenue (ttm)	746.42M
Revenue Per Share (ttm)	3.49
Quarterly Revenue Growth (yoy)	8.70%
Gross Profit (ttm)	--
EBITDA	424.5M
Net Income Avi to Common (ttm)	346.65M
Diluted EPS (ttm)	1.63
Quarterly Earnings Growth (yoy)	--

Balance Sheet

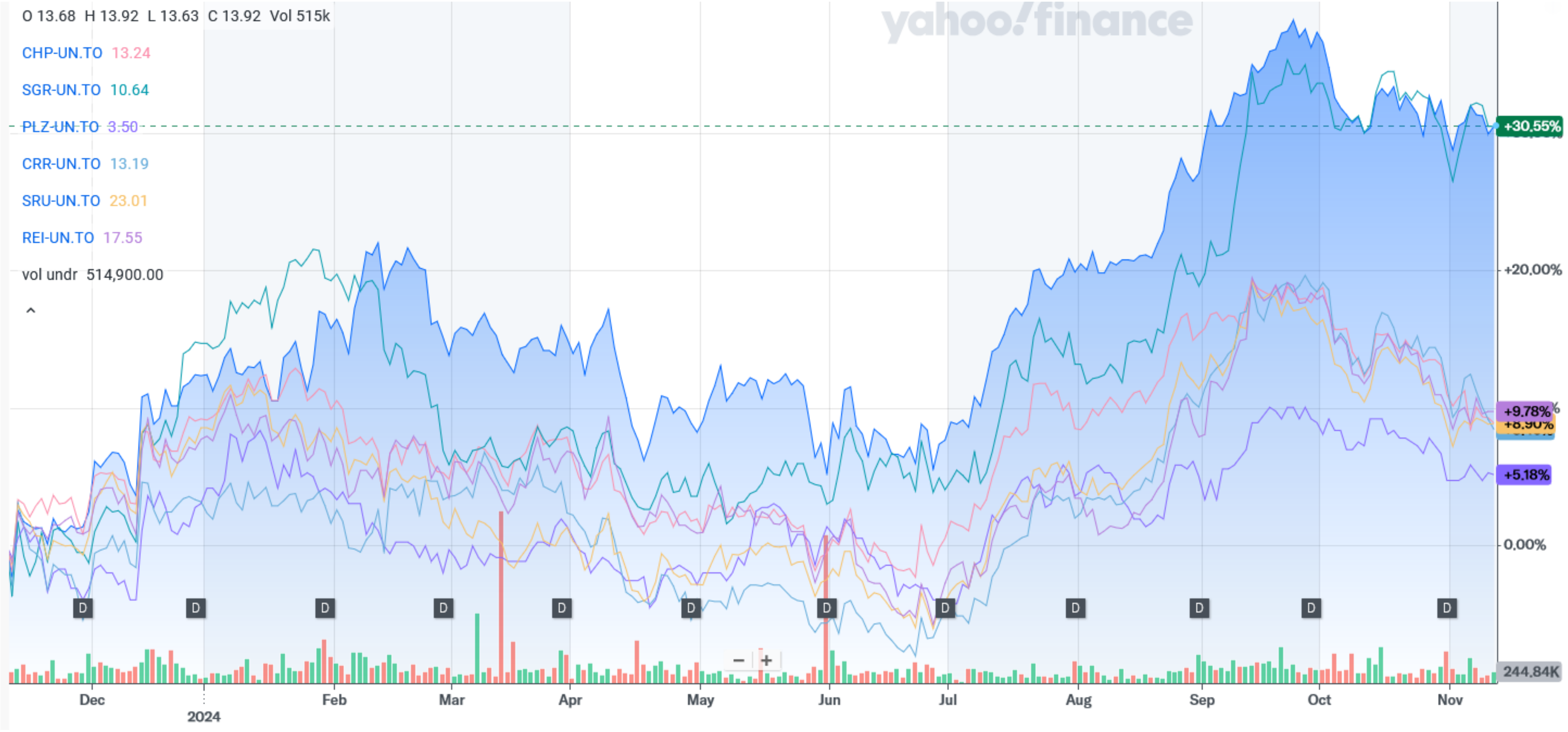
Total Cash (mrq)	67.14M
Total Cash Per Share (mrq)	0.32
Total Debt (mrq)	4.18B
Total Debt/Equity (mrq)	103.79%
Current Ratio (mrq)	0.86
Book Value Per Share (mrq)	18.64

Cash Flow Statement

Operating Cash Flow (ttm)	244.04M
Levered Free Cash Flow (ttm)	23.76M

Performance – 1 Year

Performance – 1 Year vs. Competitors

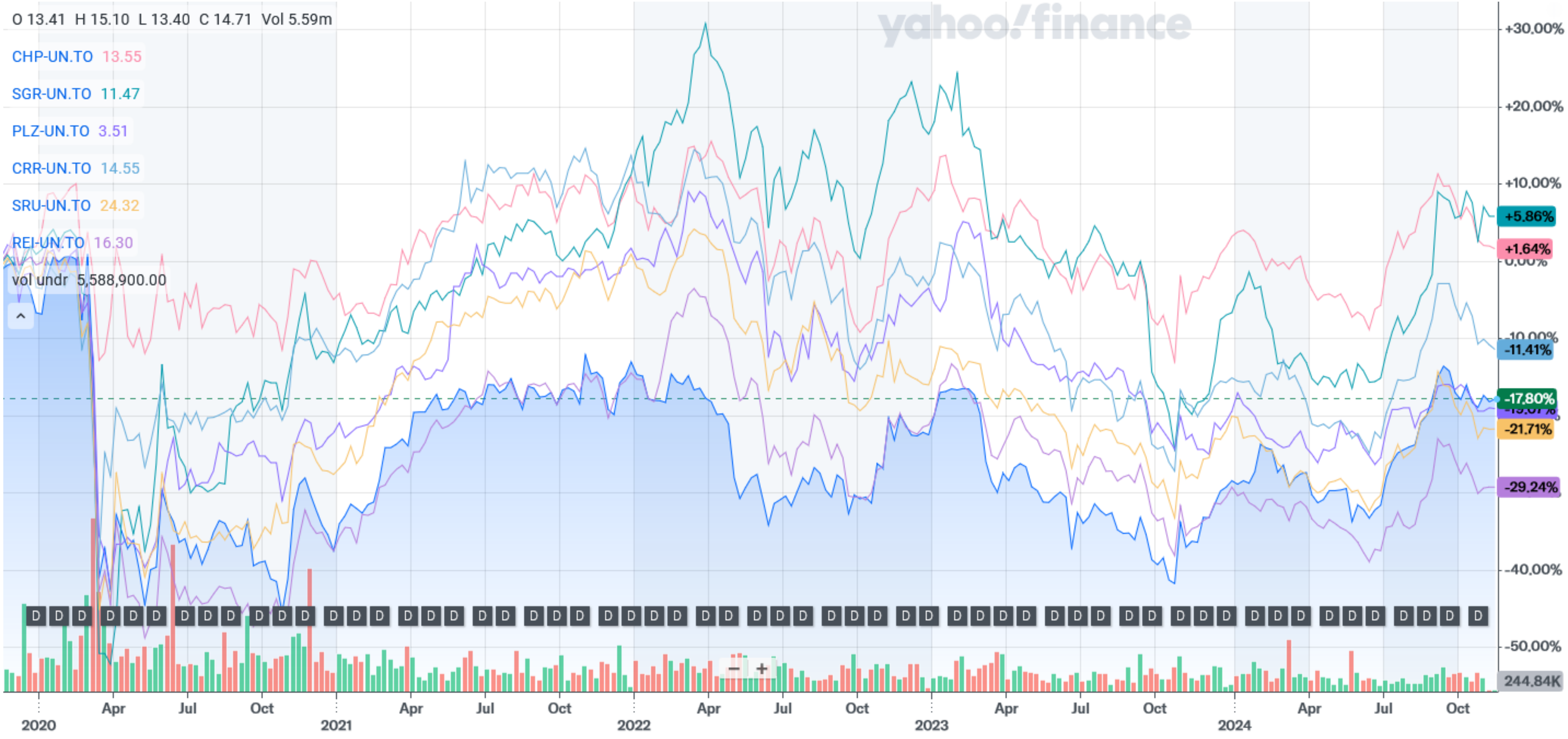


Performance – 1 Year vs. REIT ETFs

Performance – 5 Year

FIRST CAPITAL

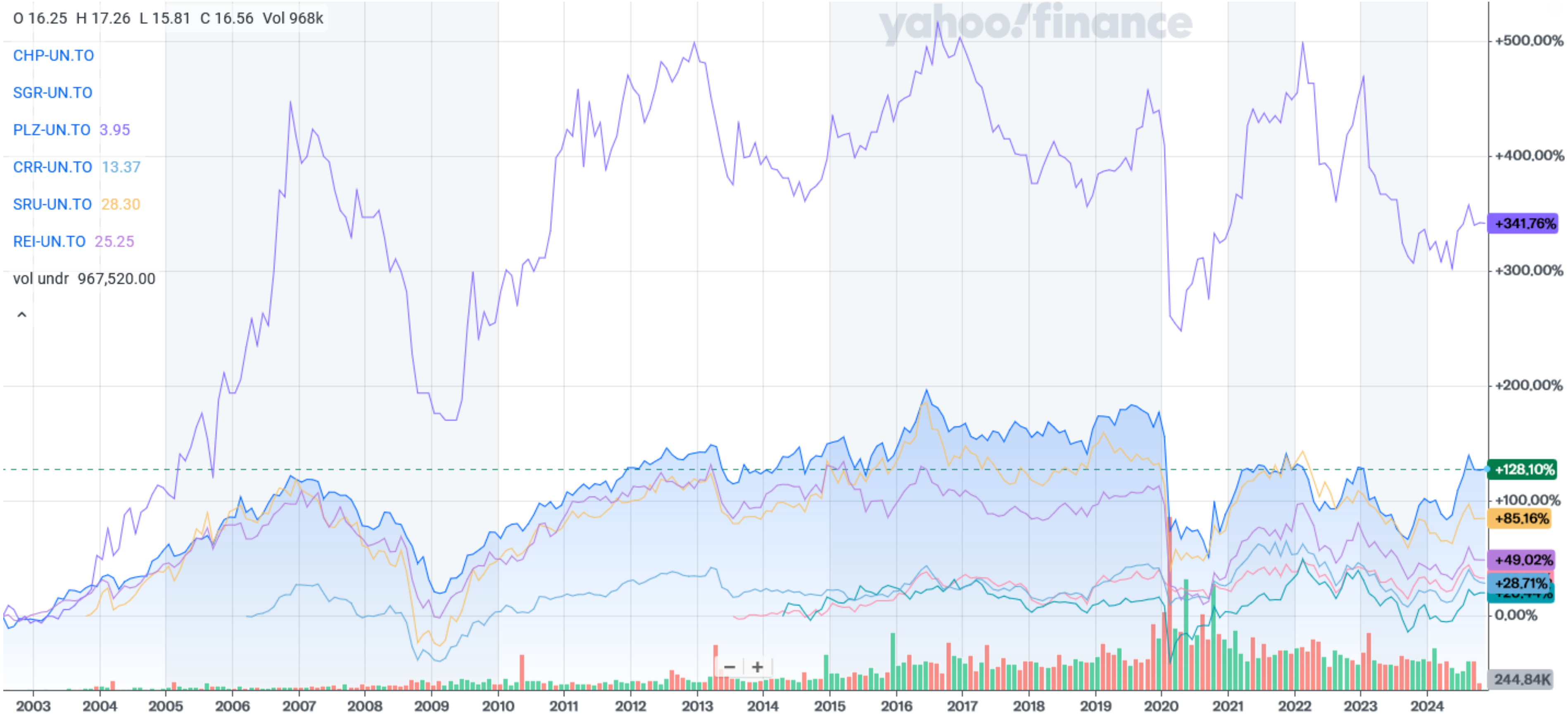
Performance – 5 Year vs. Competitors



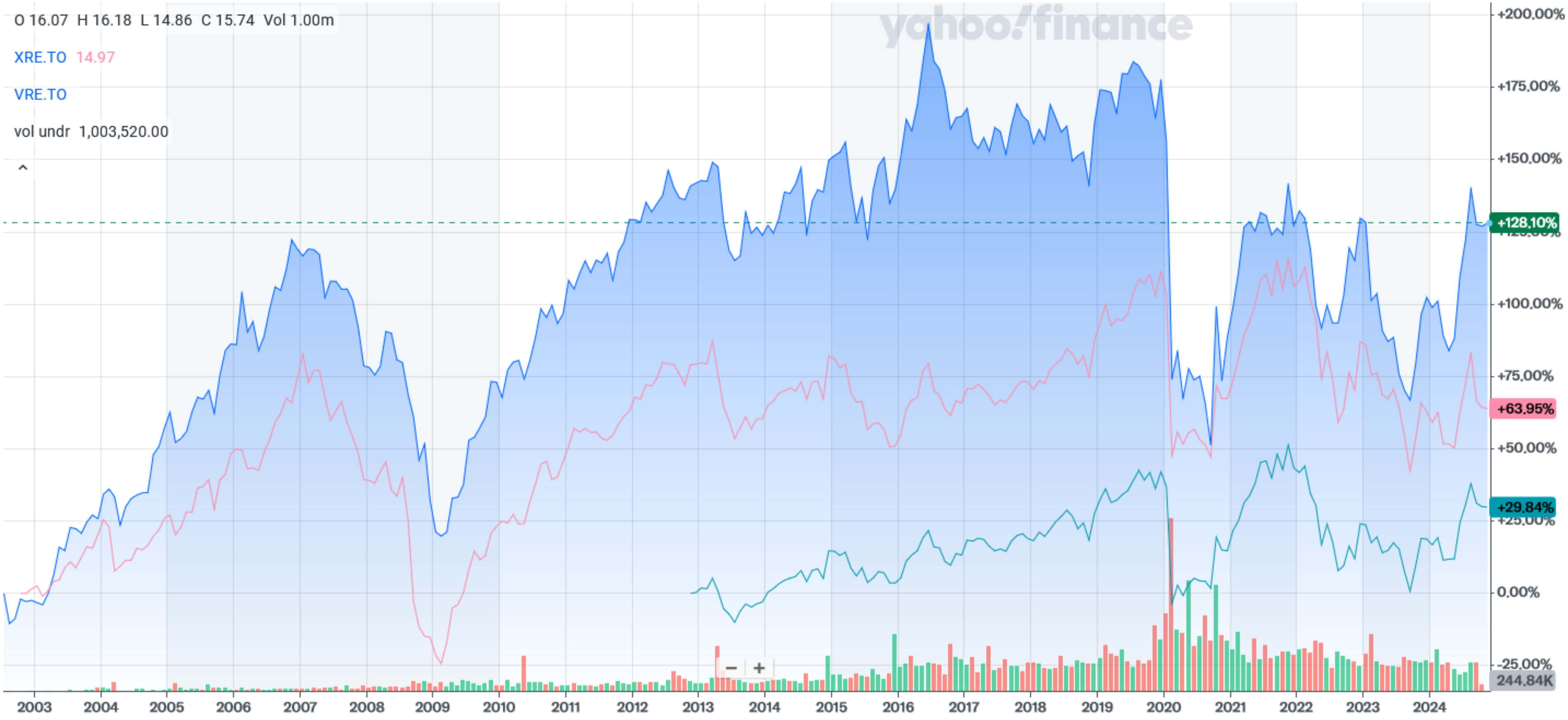
Performance – 5 Year vs. REIT ETFs

Historical Performance

Historical Performance vs. Competitors



Historical Performance vs. REIT ETFs



Company Overview

- Headquartered in Toronto
- Unincorporated open-end real estate mutual fund trust
- Holds a rich portfolio **concentrated in dense population Canadian urban retail centers**
- Predominantly concentrated in **Toronto, Montreal, and Calgary**
- Focused on open-air retail centers
- Holds $9.2bn in assets in 138 neighborhoods
- Established 2019 pursuant to declaration of trust

Objectives and Growth Strategy

Strategy and Outlook

Three-year Strategic Roadmap: Discipline|Stability|Growth

In February 2024, the Trust announced its three-year Strategic Roadmap centered around financial growth and leverage reduction objectives. The Roadmap is focused on the key objectives of stability and growth in FFO, Net Asset Value and distributions per unit, coupled with a continued strengthening of key credit metrics.

First Capital's operating activities are focused upon managing its Core Portfolio of multi-tenant grocery-anchored centres to their maximum potential as it relates to growth in same-property net operating income and long-term value appreciation.

First Capital's investment activities are focused on retail development and redevelopment of core grocery-anchored shopping centres, select tuck-in and multi-tenant grocery-anchored shopping centre acquisitions, its entitlements program, and the development of strategic mixed-use properties where the REIT will typically have an ownership interest within the 25% to 50% range.

Asset divestitures will continue to be focused on FCR's density and development properties and other non-grocery-anchored properties. Collectively, these assets are classified as ´Other properties´ and ´Residential development inventory´ in FCR's MD&A. This pool of assets currently comprises approximately 18% of FCR's total real estate investments and has a value of approximately $1.6 billion.

FFO Per Unit Growth

NAV Per Unit Growth

Distribution Per Unit Growth

Internal Growth Strategy

First Capital’s Internal Growth Strategy

Achieving strong lease performance, including lease renewal spreads of 13.2% on a volume of 720,000 square feet, indicating effective management of existing assets

Maintaining high portfolio occupancy, which increased to 96.3% as of June 30, 2024, reflecting effective tenant retention and attraction strategies

Enhance operational efficiency, contributing to improved financial metrics such as an Operating FFO per unit of $0.32, representing year-over-year growth of 8.4%

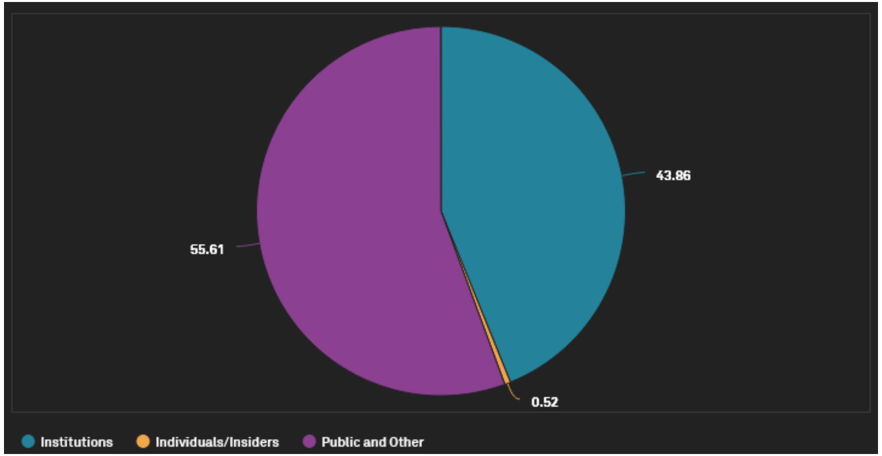
External Growth Strategy

First Capital's External Growth Strategy

- Executing over $400 million of dispositions with an average expected yield of less than 3%, focusing on a mix of development sites and select low-yielding income properties
- Allocating approximately $125 million to $150 million towards development expense, emphasizing retail development and redevelopment of core grocery-anchored shopping centres
- Strengthening the balance sheet by improving the Net Debt to Adjusted EBITDA ratio to the low-9x range by the end of the year, enhancing financial flexibility for future growth initiatives

Ownership

TYPE	COMMON STOCK EQUIVALENT HELD	PERCENT OF COMMON SHARES OUTSTANDING (%)	MARKET VALUE (C$M)
Institutions	93,129,513	43.86	1,649.3
Corporations (Private)	10,000	0.00	0.2
Individuals/Insiders	1,102,429	0.52	19.5
Public and Other	118,080,646	55.61	2,091.2
Total	**212,322,588**	**99.99**	**3,760.2**



Holder	Shares	Date Reported	% Out
Vanguard International Stock Index-Total Intl Stock Indx	2.92M	Jul 31, 2024	1.37%
Vanguard Tax Managed Fund-Vanguard Developed Markets Index Fund	1.78M	Jun 30, 2024	0.84%
Cohen & Steers Global Realty Shares, Inc.	854.91k	Jun 30, 2024	0.40%
DFA Investment Dimensions-DFA Int'l Real Estate Securities	807.07k	Jul 31, 2024	0.38%
Vanguard Intl Equity Index Fds-FTSE All World ex U.S.Small Cap Index	715k	Jul 31, 2024	0.34%
Cohen & Steers International Realty Fund	586.62k	Jun 30, 2024	0.28%
iShares Global REIT ETF	506.31k	Sep 30, 2024	0.24%
Vanguard Global ex U.S. Real Estate Index Fund	432.52k	Jul 31, 2024	0.20%
Schwab Strategic Tr-Schwab International Small Cap Equity ETF	399.82k	Aug 31, 2024	0.19%
iShares Developed Real Estate Index Fund	356.5k	Jul 31, 2024	0.17%

Asset Positioning

FIRST CAPITAL

Urban Markets

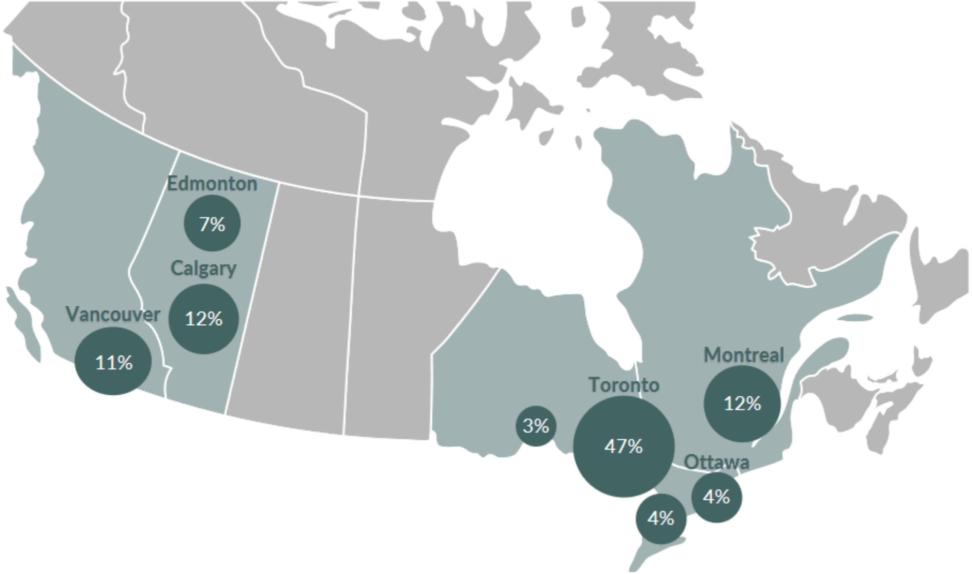
	% of Annual Minimum Rent*	% of Portfolio Value*
Greater Toronto Area	40%	47%
Greater Montreal Area	14%	12%
Greater Calgary Area	14%	12%
Greater Vancouver Area	10%	11%
Greater Edmonton Area	9%	7%
Greater Ottawa Area	5%	4%
Kitchener/Waterloo/Guelph Area	5%	4%
Other	3%	3%
Total	**100%**	**100%**

*As at September 30, 2024

- Four Provinces
- 138 Neighborhoods
- 22.2M square feet
- Grocery-anchored but diversified tenant base

Asset Positioning - Breakdown

	Western Canada	Central Canada	Eastern Canada
GLA	6.2M	8.6M	4.6M
Fair Value %	30%	54%	16%



Asset Positioning - Breakdown

	% of Rent	# of locations
Grocery Stores	17.0	122
Medical, Professional & Personal Services	15.0	1,261
QSR, Chains and Cafes	13.1	922
Other Necessity-Based Retailers	12.5	379
Pharmacies	9.0	115
Other Tenants	8.2	455
Banks & Credit Unions	8.5	186
Value-Based Retailers	5.6	89
Fitness Facilities	4.5	84
Liquor Stores	3.0	86
Other Restaurants	1.9	75
Daycare & Learning Centres	1.7	102

Tenant Profile – Anchor Tenants

Rank	Tenant [1] [2]	Number of Stores	Square Feet (thousands)	Percent of Total Gross Leasable Area	Percent of Total Annualized Minimum Rent	DBRS Credit Rating	S&P Credit Rating	Moody's Credit Rating
1.	Loblaw Companies Limited ("Loblaw")	93	1,919	10.3%	10.4%	BBB (high)	BBB+	
2.	Sobeys	49	1,383	7.4%	5.4%	BBB	BBB-	
3.	Metro	34	875	4.7%	3.2%	BBB (high)	BBB	
4.	Canadian Tire	19	693	3.7%	3.1%	BBB	BBB	
5.	Walmart	10	1,018	5.5%	2.1%	AA	AA	Aa2
6.	TD Canada Trust	43	196	1.1%	2.0%	AA (high)	A+	Aa1
7.	Dollarama	52	468	2.5%	1.9%	BBB	BBB	Baa2
8.	Save-On-Foods	8	316	1.7%	1.8%			
9.	RBC Royal Bank	36	196	1.0%	1.7%	AA (high)	AA-	Aa1
10.	GoodLife Fitness	25	466	2.5%	1.7%			B2
Top 10 Tenants Total		**369**	**7,530**	**40.4%**	**33.3%**			

- 55.4% of rental income came from top 40 tenants
- 96.5% total occupancy rate

Tenant Profile – Grocery Industry

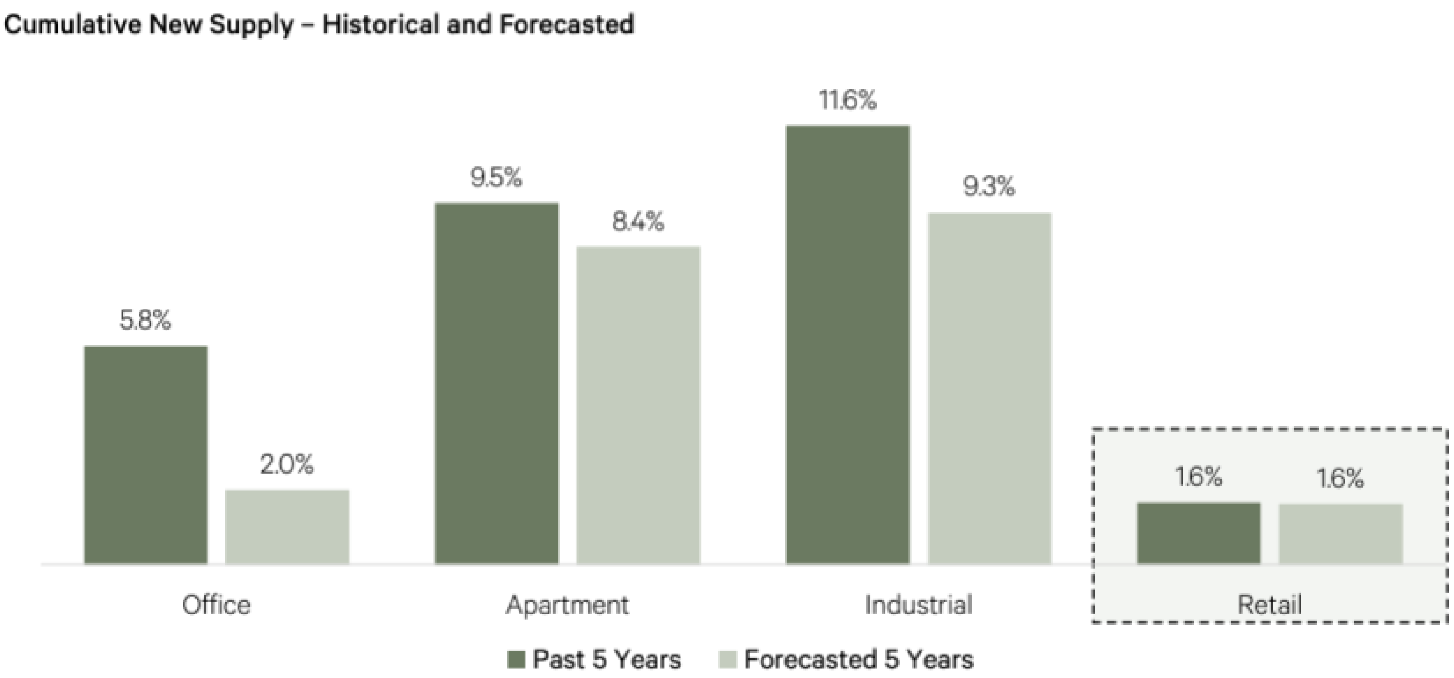
FIRST CAPITAL

The Trust's Core Portfolio of grocery-anchored shopping centres had a value of approximately $7.2 billion as at September 30, 2024 compared to $7.1 billion as at December 31, 2023.

As at and for the three and nine months ended *(millions of dollars)*						September 30, 2024
Portfolio	**Income-Producing Properties**	**Properties Under Construction**	**Density and Development Land**	**Proportionate Interest [1]**	**Net Operating Income [1]**	
Core Portfolio	$ 7,128	$ 6	$ 56	$ 7,190	$ 101	$ 300
Other properties	917	114	320	1,351	11	40
Total Portfolio	$ 8,045	$ 120	$ 376	$ 8,541	$ 112	$ 340
Residential development inventory				253		
Total real estate investments				$ 8,794		

[1] At First Capital's proportionate interest. Refer to the "Non-IFRS Financial Measures" section of this MD&A.

Retail Space Supply



Leasing Activity

FIRST CAPITAL

Three months ended September 30, 2024	Total Same Property			Major redevelopment, ground-up, acquisitions, dispositions, density & development land			Vacancy				Total Portfolio [1]		
	Occupied Square Feet (thousands)	%	Weighted Average Rate per Occupied Square Foot	Occupied Square Feet (thousands)	%	Weighted Average Rate per Occupied Square Foot	Under Redevelop-ment Square Feet (thousands)	%	Vacant Square Feet (thousands)	%	Total Square Feet (thousands)	Occupied Square Feet %	Weighted Average Rate per Occupied Square Foot
June 30, 2024 [2]	**17,598**	**96.4%**	**$ 23.80**	**1,064**	**95.0%**	**$ 22.59**	**—**	**—%**	**717**	**3.7%**	**19,379**	**96.3%**	**$ 23.73**
Tenant possession	139		24.08	15		14.07	—		(154)		—		23.09
Tenant closures	(88)		(21.45)	(12)		(25.91)	—		100		—		(21.99)
Tenant closures for redevelopment	(4)		(25.07)	(2)		(8.00)	6		—		—		(19.29)
Developments – tenants coming online [3]	—		—	17		53.66	—		6		23		53.66
Redevelopments – tenant possession	—		—	—		—	—		—		—		—
Demolitions	—		—	—		—	(4)		—		(4)		—
Reclassification	1		—	—		—	—		8		9		—
Total portfolio before Q3 2024 acquisitions and dispositions	17,646	96.7%	$ 23.90	1,082	93.8%	$ 23.06	2	—%	677	3.5%	19,407	96.5%	$ 23.85
Acquisitions (at date of acquisition)	—	—%	—	—	—%	—	—	—%	—		—	—%	—
Dispositions (at date of disposition)	—	—%	—	—	—%	—	—	—%	—		—	—%	—
September 30, 2024	**17,646**	**96.7%**	**$ 23.90**	**1,082**	**93.8%**	**$ 23.06**	**2**	**—%**	**677**	**3.5%**	**19,407**	**96.5%**	**$ 23.85**
Renewals	429		$ 29.83	8		$ 37.60					437		$ 29.98
Renewals – expired	(429)		$ (26.55)	(8)		$ (32.85)					(437)		$ (26.67)
Net change per square foot from renewals			$ 3.28			$ 4.75							$ 3.31
% Increase on renewal of expiring rents (first year of renewal term)			12.4%			14.5%							12.4%
% increase on renewal of expiring rents (average rate in renewal term)													16.9%

Leasing Spreads

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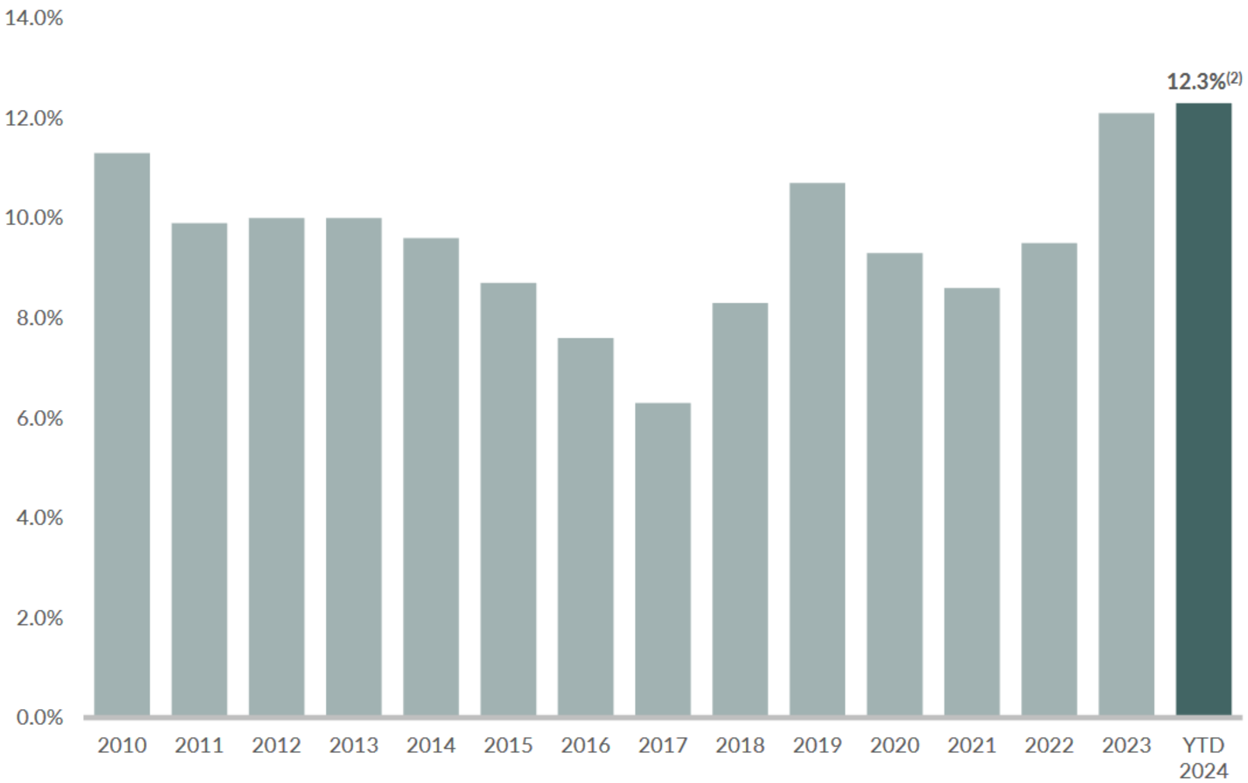
+9.4%[1]
LTA

+6-12%
LOW/HIGH RANGE



[1] Since 2010 based on annual data. Lease renewal spread is on a total portfolio basis and includes all renewals and contractual fixed rate renewals
[2] 16.7% when comparing the average rental rates over the renewal term to the rental rate in the last year of expiring term

Lease Maturities

FIRST CAPITAL

Maturity Date	Number of Locations	Occupied Square Feet (thousands)	Percent of Total Square Feet	Annualized Minimum Rent at Expiration (thousands)	Percent of Total Annualized Minimum Rent	Average Annual Minimum Rent per Square Foot at Expiration
Month-to-month tenants [1]	141	276	1.4%	$ 5,882	1.2%	$ 21.32
2024	74	331	1.7%	6,072	1.3%	18.33
2025	473	1,903	9.8%	45,288	9.2%	23.79
2026	533	1,830	9.4%	49,080	10.0%	26.82
2027	596	2,705	13.9%	67,784	13.8%	25.06
2028	575	3,061	15.8%	73,647	15.0%	24.06
2029	560	2,548	13.1%	63,276	12.9%	24.84
2030	259	1,172	6.0%	33,040	6.7%	28.18
2031	147	872	4.6%	23,308	4.8%	26.72
2032	145	877	4.5%	22,246	4.5%	25.36
2033	141	739	3.8%	21,309	4.4%	28.84
2034	156	755	3.9%	26,857	5.5%	35.56
Thereafter	105	1,659	8.6%	52,614	10.7%	31.74
Total or Weighted Average	3,905	18,728	96.5%	$ 490,403	100.0%	$ 26.19

[1] Includes tenants on over hold including renewals and extensions under negotiation, month-to-month tenants and tenants in space at properties with future redevelopment.

The weighted average remaining lease term for the portfolio was 5.1 years as at September 30, 2024, excluding contractual renewal options, but including month-to-month and other short-term leases.

Occupancy Rates

As at	September 30, 2024			December 31, 2023		
(square feet in thousands)	**Total Occupied Square Feet**	**% Occupied**	**Weighted Average Rate per Occupied Square Foot**	Total Occupied Square Feet	% Occupied	Weighted Average Rate per Occupied Square Foot
Same Property – stable	**17,134**	**96.6%**	**$ 24.08**	17,057	96.1%	$ 23.59
Same Property with redevelopment	**512**	**98.1%**	**17.93**	455	98.7%	18.02
Total Same Property	**17,646**	**96.7%**	**23.90**	17,512	96.2%	23.45
Major redevelopment	**481**	**90.7%**	**23.47**	471	97.8%	22.30
Assets classified as held for sale	**341**	**97.0%**	**16.00**	328	94.4%	16.92
Total portfolio before acquisitions and dispositions	**18,468**	**96.5%**	**23.75**	18,311	96.2%	23.30
Acquisitions (1)	**180**	**96.1%**	**34.37**	120	97.0%	30.35
Dispositions (2)	**—**	**—%**	**—**	109	88.8%	22.08
Density and Development land	**80**	**95.2%**	**25.13**	86	95.3%	23.89
Total (3)	**18,728**	**96.5%**	**$ 23.85**	18,626	96.2%	$ 23.34

Portfolio Investments

Category	IFRS Value ($B)	% of Value	Yield (%)
Core	7.2	82%	5.6%
Other[1]	1.6	18%	~2.8%
Total Real Estate Assets	**8.8**	**100%**	**5.1%**

	2019 – Q3 2024 $ Amount	5km Average Population	5km Average Household Income
Acquisitions	$667M	519,000	$140,000
Development Spend	$735M	423,000	$132,000
Investment Total	**$1,402M**	**468,000**	**$135,000**
Dispositions	$2,263M[1]	243,000	$111,000

FIRST CAPITAL

Humbertown Shopping Centre

Toronto

148,000+ SF
GLA

$140,000
HOUSEHOLD INCOME – 5KM

352,000
POPULATION– 5KM

Loblaws · Scotiabank · LCBO
SHOPPERS DRUG MART · RBC · HUMBERTOWN
GLOBAL PET FOODS eat.play.love.

Humbertown

~$49M INVESTMENT

>7% DEVELOPMENT YIELD

Phase 1 (Completed Q3 2024)
Phase 2 (To commence in Q1 2025)

Core Properties

FIRST CAPITAL

Core Asset

Leaside Village

Toronto

198,000 SF
GLA

100%
OCCUPANCY

512,000
POPULATION – 5KM

13 ACRES
LAND SIZE

Longo's · SHOPPERS DRUG MART · PETSMART · SmileSquad Kids Dental + Ortho

BulkBarn · Tim Hortons · LOCAL PUBLIC EATERY · BEER STORE

CIBC · petvalu your pet • your store · GYMBOREE PLAY & MUSIC

FIRST CAPITAL

Core Asset

McKenzie Towne Centre

Calgary

234,000 SF
GLA

99.5%
OCCUPANCY

140,000
POPULATION – 5KM

19 ACRES
LAND SIZE

Sobeys
Rexall
TD
SUBWAY
GoodLife FITNESS
BrightPath Academy
BMO
Scotiabank
Brewsters
LIQUOR depot
GLOBAL PET FOODS eat.play.love.

Joint Ventures

Investment in Joint Ventures

As at September 30, 2024, First Capital had interests in seven joint ventures that it accounts for using the equity method. First Capital's joint ventures are as follows:

			Effective Ownership	
Name of Entity	Name of Property/Business Activity	Location	**September 30, 2024**	December 31, 2023
Aukland and Main Developments LP	Station Place	Toronto, ON	**35.4%**	35.4%
College Square General Partnership	College Square	Ottawa, ON	**50.0%**	50.0%
Edenbridge Kingsway (Humbertown)	Humbertown Condos (Phase 1)	Toronto, ON	**50.0%**	50.0%
Fashion Media Group GP Ltd.	Toronto Fashion Week events	Toronto, ON	**78.0%**	78.0%
FC Urban Properties, LP	199 Avenue Rd.	Toronto, ON	**20.0%**	20.0%
Green Capital Limited Partnership [(1)]	Royal Orchard	Markham, ON	**—%**	50.0%
Lakeshore Development LP	2150 Lake Shore Blvd. W.	Toronto, ON	**50.0%**	50.0%
Stackt Properties LP	Shipping Container marketplace	Toronto, ON	**94.0%**	94.0%

(1) During the first quarter of 2024, Green Capital Limited Partnership was dissolved and the net assets distributed to its limited partners.

First Capital has determined that these investments are joint ventures as all decisions regarding their activities are made unanimously between First Capital and its partners.

Acquisitions

FIRST CAPITAL

Count	Property Name	City/Province	Quarter Sold	Interest Sold	GLA (sq. ft.)	Acreage	Gross Sales Price (in millions)
1.	1071 King St. W. (land)	Toronto, ON	Q1	41.7%	—	0.2	
2.	71 King St. W. (Medical Arts Building)	Mississauga, ON	Q1	100%	43,788	1.0	
3.	Royal Orchard	Markham, ON	Q1	50%	20,845	2.1	
4.	Yonge-Davis Centre	Newmarket, ON	Q1	100%	50,747	4.6	
5.	Broadmoor Residences	Richmond, BC	Q1	100%	55,253	—	
6.	Yorkville Condo	Toronto, ON	Q2	100%	1,391	—	
7.	1092 Kingston Rd. (retail at base of condo)	Scarborough, ON	Q2	42.5%	7,493	—	
	Total				179,517	7.9	$ 152.0

Leadership Team Overview

FIRST CAPITAL

CEO – Adam Paul

- Joined FCR in 2015
- Served as Senior Vice President at Canadian Real Estate Investment Trust (CREIT) where he was responsible for acquisitions, dispositions, and capital market activities
- PWC, CREIT, REALPAC Board Member
- Bachelors of Administrative Studies from York

CFO – Neil Downey

- CFO for First Capital REIT since 2021
- Over 25 years of capital markets experience
- Honours Bachelor of Business Administration from Wilfrid Laurier

SVP, General Counsel – Alison Harnick

- Joined FCR in 2017
- In current role since 2019
- Her legal expertise and experience in corporate law have been vital in navigating complex transactions and regulatory environments
- Torys LLP, Dream REIT
- Juris Doctor (JD) of Law from Western University

SVP, Operations & Leasing – Carmine Francella

- Joined FCR in 2015
- Carmine Francella leads the operations and leasing teams, focusing on optimizing property performance and tenant relationships
- His extensive experience in real estate services has been crucial in maintaining high occupancy rates and tenant satisfaction
- Scotiabank, Infrastructure Ontario, Wal-Mart
- Harvard Business School PLD/ALD

Chief Accounting Officer – Elle Agourias

- Joined FCR in 2015
- Over 20 years experience in accounting and audit
- Responsible for overseeing the accounting functions, ensuring accurate financial reporting and compliance with accounting standards
- Her role is critical in maintaining the integrity of financial information and supporting strategic financial planning
- Bachelor of Commerce from University of Toronto

COO, Jordan Robins

- Joined FCR in 2016
- In his role as COO, he manages the company's operations, including property management, leasing, and development activities
- His prior experience includes leadership positions in development and asset management, contributing to First Capital's growth and operational efficiency
- Masters of Science in Facilities Management from the Pratt Institute

Board of Trustees Overview

FIRST CAPITAL

Independent Board of Trustees

Paul Douglas
Chair of the Board

Ian Clarke

Annalisa King

Leonard Abramsky

Dayna Gibbs

Al Mawani

Sheila Botting

Ira Gluskin

Richard Nesbitt

2024Q3 Financial Performance - Income

	Three months ended September 30		Nine months ended September 30	
	2024	2023	**2024**	2023
Revenues, Income and Cash Flows [1]				
Revenues and other income	**$ 192,907**	$ 177,971	**$ 574,182**	$ 535,254
NOI [2]	**$ 109,818**	$ 106,938	**$ 334,372**	$ 316,501
Increase (decrease) in value of investment properties, net	**$ 17,488**	$ (434,057)	**$ (11,964)**	$ (546,982)
Increase (decrease) in value of hotel property	**$ —**	$ —	**$ —**	$ 3,646
Net income (loss) attributable to Unitholders	**$ 81,107**	$ (327,546)	**$ 172,852**	$ (307,857)
Net income (loss) per unit attributable to Unitholders (diluted)	**$ 0.38**	$ (1.53)	**$ 0.81**	$ (1.44)
Weighted average number of units - diluted (in thousands)	**214,342**	213,952	**214,193**	214,407
Cash provided by operating activities	**$ 51,870**	$ 41,910	**$ 153,953**	$ 137,651
Distributions				
Distributions declared	**$ 45,856**	$ 45,841	**$ 137,536**	$ 137,738
Distributions declared per unit	**$ 0.216**	$ 0.216	**$ 0.648**	$ 0.648

2024Q3 Financial Performance

FIRST CAPITAL

FINANCIAL PERFORMANCE

$0.36 OFFO per unit(1)

3.7%(2) SP NOI Growth

LEASING & OCCUPANCY

Strong Leasing Activity
437,000 sf of renewal leasing at an average lift of 12.4% plus 196,000 sf of new leasing

$23.85 Net Rent PSF
+3.3% (+$0.77) YoY primarily due to renewal lifts, and rent escalations

96.5% Occupancy
+0.3% from Q4 2023, and +0.6% from Q3 2023

2024Q3 Financial Performance – AFFO & FFO

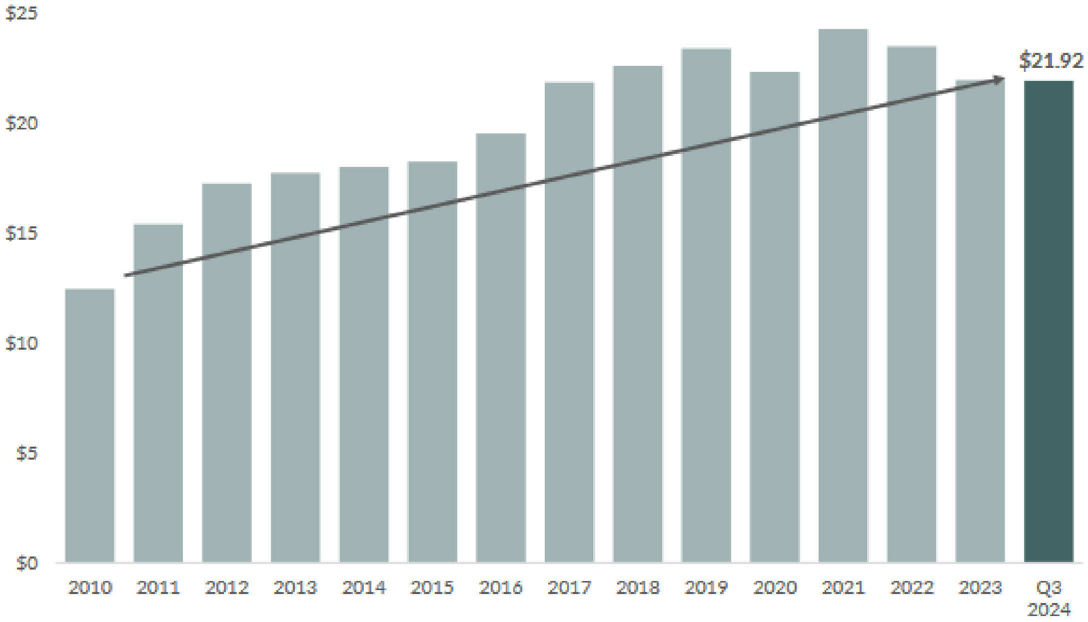
	Three months ended September 30		Nine months ended September 30	
	2024	2023	**2024**	2023
Funds from Operations [2] [4]				
OFFO	**$ 76,861**	$ 68,832	**$ 223,300**	$ 185,587
OFFO per diluted unit	**$ 0.36**	$ 0.32	**$ 1.04**	$ 0.87
OFFO payout ratio	**60.2%**	67.1%	**62.2%**	74.9%
FFO	**$ 72,340**	$ 68,615	**$ 222,217**	$ 185,934
FFO per diluted unit	**$ 0.34**	$ 0.32	**$ 1.04**	$ 0.87
FFO payout ratio	**64.0%**	67.4%	**62.5%**	74.7%
Weighted average number of units - diluted (in thousands)	**214,342**	213,952	**214,193**	214,407
Adjusted Funds from Operations [2] [4]				
AFFO	**$ 58,875**	$ 58,961	**$ 187,267**	$ 158,776
AFFO per diluted unit	**$ 0.27**	$ 0.28	**$ 0.87**	$ 0.74
AFFO payout ratio	**78.6%**	78.4%	**74.1%**	87.5%
Weighted average number of units - diluted (in thousands)	**214,342**	213,952	**214,193**	214,407
Adjusted Cash Flow from Operations [2] [4]				
ACFO	**$ 67,649**	$ 55,458	**$ 176,984**	$ 167,017
ACFO payout ratio on a rolling four quarter basis			**75.3%**	81.3%

FFO increased from the previous quarter whereas AFFO decreased

2024Q3 Financial Performance - NAV

4.2%(1)

CAGR



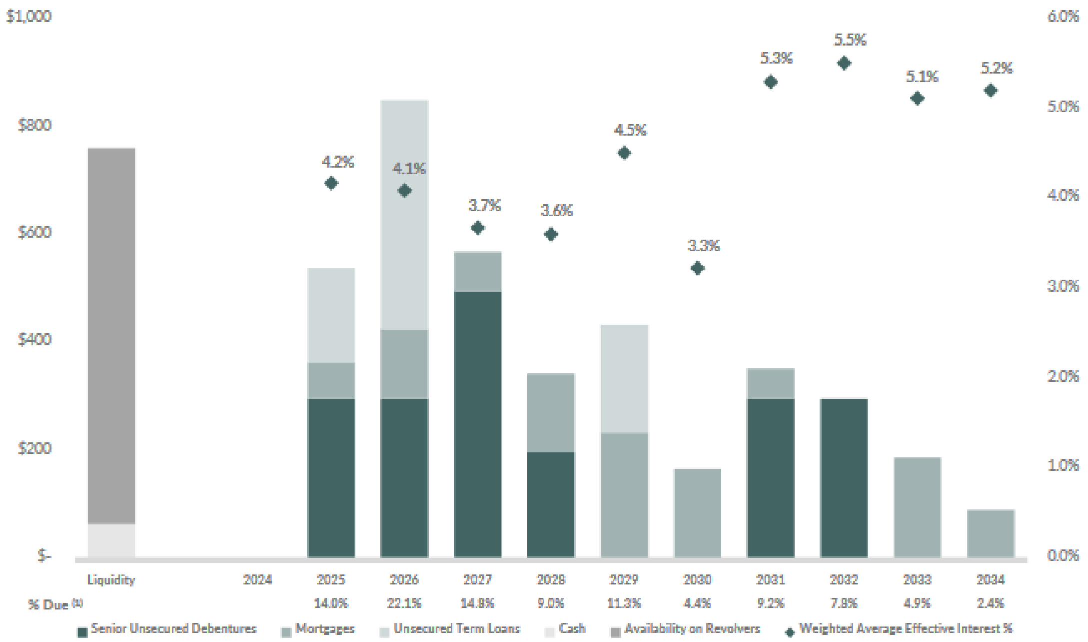
2024Q3 Financial Performance – Debt Structure

FIRST CAPITAL

4.3%
WAIR

3.7 Years
Term to Maturity

100%
Term Debt is Fixed Rate



2024Q3 Financial Performance – Debt Breakdown

As at September 30, 2024	Borrowing Capacity	Amounts Drawn	Bank Indebtedness and Outstanding Letters of Credit	Available to be Drawn	Interest Rates	Maturity Date
Unsecured Operating Facilities						
Revolving unsecured operating facility	$ 100,000	$ —	$ —	$ 100,000	CORRA + 1.55% or Prime + 0.25% or SOFR + 1.35%	September 13, 2026
Revolving unsecured operating facility	150,000	—	—	150,000	CORRA + 1.55% or Prime + 0.25% or SOFR + 1.35%	August 31, 2027
Revolving unsecured operating facility	450,000	—	(1,947)	448,053	CORRA + 1.75% or Prime + 0.45% or SOFR + 1.55%	June 30, 2029
Fixed rate unsecured term loan (1)(2)	100,000	(100,000)	—	—	5.00%	January 9, 2025
Fixed rate unsecured term loans (2)(3)	250,000	(250,000)	—	—	3.39%	April 14, 2025 -April 14, 2026
Fixed rate unsecured term loan (2)	100,000	(100,000)	—	—	5.28%	April 15, 2026
Fixed rate unsecured term loan (2)(4)(5)	150,000	(148,686)	—	1,314	5.985%	October 20, 2026
Fixed rate unsecured term loan (2)	200,000	(200,000)	—	—	5.80%	January 31, 2029

2024Q3 Financial Performance – Debt Structure

Secured Construction Facilities						
Secured construction facility	19,321	(19,321)	—	—	Prime - 0.25%	December 12, 2024
Secured construction facility	62,665	(50,926)	(537)	11,202	CORRA + 2.80% or Prime + 1.00%	October 1, 2025
Secured construction facility [5]	136,676	(50,298)	(295)	86,083	CORRA + 2.60%	February 1, 2027
Secured Facilities						
Secured facility	4,313	(4,313)	—	—	CORRA + 1.75% or Prime + 0.45%	October 31, 2024
Secured facility	6,755	(6,755)	—	—	CORRA + 1.75% or Prime + 0.45%	December 19, 2024
Sub-Total	**$ 1,729,730**	**$ (930,299)**	**$ (2,779)**	**$ 796,652**		
Proportionate Adjustments - Secured Construction Facilities						
Secured construction facility [7]	71,450	(26,574)	—	44,876	CORRA + 2.95% or Prime + 1.00%	November 28, 2025
Secured construction facility applicable to NCI	(39,801)	14,647	86	(25,068)		
Total	**$ 1,761,379**	**$ (942,226)**	**$ (2,693)**	**$ 816,460**		

Ratios are within covenants

Interest coverage ratio maintained at 2.4x

2024 Q3 Balance Sheet (in thousands of CAD)

FIRST CAPITAL

As at *(thousands of dollars)*	Note		September 30, 2024 (unaudited)		December 31, 2023 (audited)
ASSETS					
Non-current Assets					
Real Estate Investments					
Investment properties	3	$	8,020,363	$	8,070,985
Investment in joint ventures	4		311,809		404,504
Loans, mortgages and other assets	6		112,679		110,846
Total non-current real estate investments			8,444,851		8,586,335
Other non-current assets	8		30,455		31,711
Total non-current assets			8,475,306		8,618,046
Current Assets					
Cash and cash equivalents	24(d)		62,132		87,421
Loans, mortgages and other assets	6		109,660		76,519
Residential development inventory			216,563		192,125
Amounts receivable	7		34,327		20,393
Other assets	8		34,191		22,671
			456,873		399,129
Assets classified as held for sale	3(d)		235,550		168,275
Total current assets			692,423		567,404
Total assets		$	9,167,729	$	9,185,450

2024 Q3 Balance Sheet (in thousands of CAD)

LIABILITIES					
Non-current Liabilities					
Mortgages	10	$	1,160,199	$	1,185,872
Credit facilities	10		724,910		1,125,856
Senior unsecured debentures	11		1,595,668		1,298,810
Other liabilities	12		134,650		127,376
Deferred tax liabilities	20		719,732		753,020
Total non-current liabilities			4,335,159		4,490,934
Current Liabilities					
Mortgages	10		88,922		143,171
Credit facilities	10		205,389		28,051
Senior unsecured debentures	11		300,195		300,131
Accounts payable and other liabilities	12		214,428		218,008
			808,934		689,361
Mortgages classified as held for sale	3(d), 10		—		8,998
Total current liabilities			808,934		698,359
Total liabilities			5,144,093		5,189,293
EQUITY					
Unitholders' equity	13		3,958,090		3,933,377
Non-controlling interest	23		65,546		62,780
Total equity			4,023,636		3,996,157
Total liabilities and equity		$	9,167,729	$	9,185,450

2023 Balance Sheet (in thousands of CAD)

FIRST CAPITAL

As at *(thousands of dollars)*	Note	December 31, 2023	December 31, 2022
ASSETS			
Non-current Assets			
Real Estate Investments			
Investment properties	3	$ **8,070,985**	$ 8,485,361
Investment in joint ventures	4	**404,504**	357,122
Hotel property	5	**—**	45,300
Loans, mortgages and other assets	6	**110,846**	168,650
Total real estate investments		**8,586,335**	9,056,433
Other non-current assets	8	**31,711**	52,132
Total non-current assets		**8,618,046**	9,108,565
Current Assets			
Cash and cash equivalents	27(d)	**87,421**	32,694
Loans, mortgages and other assets	6	**76,519**	43,481
Residential development inventory		**192,125**	157,883
Amounts receivable	7	**20,393**	25,970
Other assets	8	**22,671**	25,618
		399,129	285,646
Assets classified as held for sale	3(d)	**168,275**	187,727
Total current assets		**567,404**	473,373
Total assets		$ **9,185,450**	$ 9,581,938

2023 Balance Sheet (in thousands of CAD)

FIRST CAPITAL

LIABILITIES					
Non-current Liabilities					
Mortgages	10	$	**1,185,872**	$	1,095,724
Credit facilities	10		**1,125,856**		880,213
Senior unsecured debentures	11		**1,298,810**		1,598,989
Other liabilities	12		**127,376**		104,798
Deferred tax liabilities	21		**753,020**		769,388
Total non-current liabilities			**4,490,934**		4,449,112
Current Liabilities					
Bank indebtedness	10		**—**		1,594
Mortgages	10		**143,171**		31,637
Credit facilities	10		**28,051**		224,401
Senior unsecured debentures	11		**300,131**		299,835
Exchangeable Units	13		**—**		1,009
Accounts payable and other liabilities	12		**218,008**		225,926
			689,361		784,402
Mortgages classified as held for sale	3(d), 10		**8,998**		13,129
Total current liabilities			**698,359**		797,531
Total liabilities			**5,189,293**		5,246,643
EQUITY					
Unitholders' equity	14		**3,933,377**		4,279,373
Non-controlling interest	24		**62,780**		55,922
Total equity			**3,996,157**		4,335,295
Total liabilities and equity		$	**9,185,450**	$	9,581,938

2023 Income Statement (in thousands of CAD)

FIRST CAPITAL

		Year ended December 31	
(thousands of dollars)	Note	2023	2022
Property rental revenue		$ **687,981**	$ 693,096
Property operating costs		**262,724**	267,597
Net operating income	16	**425,257**	425,499
Other income and expenses			
Interest and other income	17	**24,875**	19,870
Interest expense	18	**(154,096)**	(150,042)
Corporate expenses	19	**(53,902)**	(45,235)
Abandoned transaction (costs) recovery		**(24)**	2,770
Amortization expense		**(3,897)**	(5,673)
Share of profit (loss) from joint ventures	4	**48,501**	(199)
Other gains (losses) and (expenses)	20	**(12,247)**	(2,317)
(Increase) decrease in value of unit-based compensation	15	**6,237**	5,250
(Increase) decrease in value of Exchangeable Units	13	**88**	321
Increase (decrease) in value of hotel property	5	**3,646**	6,908
Increase (decrease) in value of investment properties, net	3	**(423,598)**	(409,716)
		(564,417)	(578,063)
Income (loss) before income taxes		**(139,160)**	(152,564)
Deferred income tax expense (recovery)	21	**(4,796)**	7,197
Net income (loss)		$ **(134,364)**	$ (159,761)
Net income (loss) attributable to:			
Unitholders	14	$ **(134,056)**	$ (159,997)
Non-controlling interest	24	**(308)**	236
		$ **(134,364)**	$ (159,761)

2024 Q3 Income Statement (in thousands of CAD)

FIRST CAPITAL

(unaudited)		Three months ended September 30		Nine months ended September 30	
(thousands of dollars)	**Note**	**2024**	2023	**2024**	2023
Property rental revenue		**$ 174,016**	$ 168,883	**$ 533,152**	$ 516,797
Property operating costs		**64,198**	61,945	**198,780**	200,296
Net operating income	15	**109,818**	106,938	**334,372**	316,501
Other income and expenses					
Interest and other income	16	**18,891**	9,088	**41,030**	18,457
Interest expense	17	**(43,318)**	(39,203)	**(123,763)**	(115,097)
Corporate expenses	18	**(12,444)**	(11,714)	**(38,531)**	(42,948)
Abandoned transaction (costs) recovery		**—**	(12)	**(36)**	(18)
Amortization expense		**(652)**	(730)	**(1,890)**	(3,310)
Share of profit (loss) from joint ventures	4	**3,408**	955	**(40,084)**	3,095
Other gains (losses) and (expenses)	19	**(4,678)**	(1,063)	**(3,787)**	(1,949)
(Increase) decrease in value of unit-based compensation	14	**(10,182)**	2,247	**(9,307)**	8,157
(Increase) decrease in value of Exchangeable Units		**—**	80	**—**	211
Increase (decrease) in value of hotel property	5	**—**	—	**—**	3,646
Increase (decrease) in value of investment properties, net	3	**17,488**	(434,057)	**(11,964)**	(546,982)
		(31,487)	(474,409)	**(188,332)**	(676,738)
Income (loss) before income taxes		**78,331**	(367,471)	**146,040**	(360,237)
Deferred income tax expense (recovery)	20	**(3,180)**	(38,281)	**(24,981)**	(51,124)
Net income (loss)		**$ 81,511**	$ (329,190)	**$ 171,021**	$ (309,113)
Net income (loss) attributable to:					
Unitholders	13	**$ 81,107**	$ (327,546)	**$ 172,852**	$ (307,857)
Non-controlling interest	23	**404**	(1,644)	**(1,831)**	(1,256)
		$ 81,511	$ (329,190)	**$ 171,021**	$ (309,113)

2023 Cash Flow Statement (in thousands of CAD)

		Year ended December 31	
(thousands of dollars)	**Note**	**2023**	2022
OPERATING ACTIVITIES			
Net income (loss)		$ **(134,364)**	$ (159,761)
Adjustments for:			
(Increase) decrease in value of investment properties, net	3	**423,598**	409,716
(Increase) decrease in value of hotel property	5	**(3,646)**	(6,908)
Interest expense	18	**154,096**	150,042
Amortization expense		**3,897**	5,673
Share of (profit) loss from joint ventures	4	**(48,501)**	199
Cash interest paid associated with operating activities	18	**(150,112)**	(149,241)
Items not affecting cash and other items	27(a)	**11,087**	11,679
Net changes in other working capital items	27(b)	**(28,321)**	(10,178)
Cash provided by (used in) operating activities		**227,734**	251,221

2023 Cash Flow Statement (in thousands of CAD)

FIRST CAPITAL

		Year ended December 31	
(thousands of dollars)	**Note**	**2023**	2022
FINANCING ACTIVITIES			
Mortgage borrowings, net of financing costs	10	**232,542**	90,766
Mortgage principal instalment payments	10	**(35,739)**	(30,946)
Mortgage repayments	10	**—**	(13,338)
Credit facilities, net advances (repayments)	10	**53,671**	206,373
Repayment of senior unsecured debentures	11	**(300,000)**	(450,000)
Settlement of hedges		**(4,990)**	13,451
Repurchase of Trust Units	14(a)	**(25,693)**	(94,456)
Issuance of Trust Units, net of issue costs		**—**	116
Payment of distributions		**(183,657)**	(116,721)
Net contributions from (distributions to) non-controlling interest	24	**7,166**	7,546
Cash provided by (used in) financing activities		**(256,700)**	(387,209)
INVESTING ACTIVITIES			
Acquisition of investment properties	3(c)	**(76,490)**	(63,798)
Disposition of Hotel property, net of selling costs	5	**102,775**	—
Net proceeds from property dispositions	3(d)	**176,113**	187,963
Net proceeds from sale of joint ventures	4	**4,081**	—
Distributions from joint ventures	4	**4,599**	4,658
Contributions to joint ventures	4	**(6,554)**	(12,491)
Capital expenditures on investment properties	3(a)	**(143,023)**	(125,008)
Changes in investing-related prepaid expenses and other liabilities		**(31,598)**	60,618
Changes in loans, mortgages and other assets	27(c)	**53,790**	82,041
Cash provided by (used in) investing activities		**83,693**	133,983
Net increase (decrease) in cash and cash equivalents		**54,727**	(2,005)
Cash and cash equivalents, beginning of year		**32,694**	34,699
Cash and cash equivalents, end of year	27(d)	**$ 87,421**	$ 32,694

2024 Q3 Cash Flow Statement (in thousands of CAD)

(unaudited)		Three months ended September 30		Nine months ended September 30	
(thousands of dollars)	**Note**	**2024**	2023	**2024**	2023
OPERATING ACTIVITIES					
Net income (loss)		**$ 81,511**	$ (329,190)	**$ 171,021**	$ (309,113)
Adjustments for:					
(Increase) decrease in value of investment properties, net	3	**(17,488)**	434,057	**11,964**	546,982
(Increase) decrease in value of hotel property	5	**—**	—	**—**	(3,646)
Interest expense	17	**43,318**	39,203	**123,763**	115,097
Amortization expense		**652**	730	**1,890**	3,310
Share of (profit) loss from joint ventures	4	**(3,408)**	(955)	**40,084**	(3,095)
Cash interest paid associated with operating activities	17	**(51,586)**	(45,463)	**(123,533)**	(117,763)
Items not affecting cash and other items	24(a)	**13,095**	(37,483)	**(8,849)**	(50,017)
Net changes in other working capital items	24(b)	**(14,224)**	(18,989)	**(62,387)**	(44,104)
Cash provided by (used in) operating activities		**51,870**	41,910	**153,953**	137,651

2024 Q3 Cash Flow Statement (in thousands of CAD)

FIRST CAPITAL

(unaudited)		Three months ended September 30		Nine months ended September 30	
(thousands of dollars)	**Note**	**2024**	2023	**2024**	2023
FINANCING ACTIVITIES					
Mortgage borrowings, net of financing costs	10	**—**	—	**7,690**	232,595
Mortgage principal instalment payments	10	**(8,642)**	(9,045)	**(26,794)**	(26,612)
Mortgage repayments	10	**(61,270)**	—	**(70,342)**	—
Credit facilities, net advances (repayments)	10	**5,661**	5,687	**(231,220)**	(102,877)
Issuance of senior unsecured debentures, net of issue costs	11	**(111)**	—	**596,779**	—
Repurchase of senior unsecured debentures	11	**—**	—	**(18,944)**	—
Repayment of senior unsecured debentures	11	**(281,000)**	—	**(281,000)**	—
Settlement of hedges		**(179)**	—	**1,049**	(4,990)
Repurchase of Trust Units	13(a)	**—**	(2,013)	**—**	(25,693)
Payment of distributions	13(b)	**(45,850)**	(45,845)	**(137,526)**	(137,838)
Net contributions from (distributions to) non-controlling interest	23	**1,628**	165	**4,597**	4,780
Cash provided by (used in) financing activities		**(389,763)**	(51,051)	**(155,711)**	(60,635)
INVESTING ACTIVITIES					
Acquisition of investment properties	3(c)	**—**	(370)	**(33,453)**	(71,253)
Disposition of Hotel property, net of selling costs	5	**—**	—	**—**	102,775
Net proceeds (costs) from property dispositions	3(d)	**(184)**	105,333	**132,038**	119,060
Net proceeds from sale of joint ventures	4	**—**	—	**—**	4,081
Distributions from joint ventures	4	**1,505**	1,214	**4,044**	3,380
Contributions to joint ventures	4	**(7,809)**	(4,126)	**(11,461)**	(5,678)
Capital expenditures on investment properties	3(a)	**(31,260)**	(34,409)	**(83,662)**	(102,996)
Changes in investing-related prepaid expenses and other liabilities		**(3,669)**	(942)	**(13,728)**	(19,581)
Changes in loans, mortgages and other assets	24(c)	**(13,478)**	(2,767)	**(17,309)**	53,990
Cash provided by (used in) investing activities		**(54,895)**	63,933	**(23,531)**	83,778
Net increase (decrease) in cash and cash equivalents		**(392,788)**	54,792	**(25,289)**	160,794
Cash and cash equivalents, beginning of year		**454,920**	138,696	**87,421**	32,694
Cash and cash equivalents, end of period	24(d)	**$ 62,132**	$ 193,488	**$ 62,132**	$ 193,488

Analyst Recommendation

- Attractive yield at 4.85%
- Strong renewal rent spreads
- Strategic asset positioning
- Favorable lease terms with WALT of approximately 5.2yrs, shorter than industry average of ~7yrs
- Robust urban portfolio spanning dense population centers in Canada
- Deep capital base to invest in redevelopments or developments

Choice
Properties

Company Snapshot (Nov 13, 2024)

Choice Properties

Toronto - Delayed Quote • CAD

Choice Properties Real Estate Investment Trust (CHP-UN.TO)

☆ Follow   Compare

13.82 -0.09 (-0.65%)

At close: 4:00 p.m. EST

1D 5D 1M 3M YTD 1Y 5Y All   Key Events   Mountain   Advanced Chart

Previous Close	13.91	Day's Range	13.72 - 13.94	Market Cap (intraday)	10.067B	Earnings...	Feb 12, 2025 - Feb 17, 2025
Open	13.92	52 Week Range	12.42 - 15.33	Beta (5Y Monthly)	0.66	Forward Dividend & Yield	0.76 (5.46%)
Bid	13.83 x --	Volume	341,349	PE Ratio (TTM)	--	Ex-Dividend Date	Oct 31, 2024
Ask	13.83 x --	Avg. Volume	368,533	EPS (TTM)	-2.69	1y Target Est	15.88

Key Statistics - Valuation

Choice Properties

Valuation Measures

	Current	2024-09-30	2024-06-30	2024-03-31	2023-12-31	2023-09-30
Market Cap	4.53B	4.96B	4.21B	4.52B	4.57B	4.16B
Enterprise Value	11.10B	11.49B	10.69B	10.96B	11.24B	10.78B
Trailing P/E	17.01	16.96	13.91	12.52	15.22	7.81
Forward P/E	13.28	14.68	12.87	13.81	13.55	12.80
PEG Ratio (5yr expected)	--	--	--	--	--	--
Price/Sales	3.29	8.02	6.84	7.47	7.80	7.18
Price/Book	1.09	1.01	0.95	1.03	0.94	0.92
Enterprise Value/Revenue	8.05	8.42	8.43	8.21	8.69	8.43
Enterprise Value/EBITDA	87.55	9.43	9.44	8.06	9.21	6.24

Key Statistics - Stock

Choice Properties

Stock Price History

Beta (5Y Monthly)	0.66
52 Week Range [3]	6.67%
S&P 500 52-Week Change [3]	32.77%
52 Week High [3]	15.33
52 Week Low [3]	12.42
50-Day Moving Average [3]	14.69
200-Day Moving Average [3]	13.77

Profitability

Profit Margin	-31.35%
Operating Margin (ttm)	68.76%

Management Effectiveness

Return on Assets (ttm)	3.61%
Return on Equity (ttm)	-10.01%

Dividends & Splits

Forward Annual Dividend Rate [4]	0.76
Forward Annual Dividend Yield [4]	5.46%
Trailing Annual Dividend Rate [3]	0.76
Trailing Annual Dividend Yield [3]	5.43%
5 Year Average Dividend Yield [4]	5.41
Payout Ratio [4]	84.42%
Dividend Date [3]	2024-11-15
Ex-Dividend Date [4]	2024-10-31
Last Split Factor [2]	993:1000
Last Split Date [3]	2020-12-30

Key Statistics - Financials

Choice Properties

Income Statement

Revenue (ttm)	1.45B
Revenue Per Share (ttm)	4.41
Quarterly Revenue Growth (yoy)	6.60%
Gross Profit (ttm)	--
EBITDA	1B
Net Income Avi to Common (ttm)	-453.16M
Diluted EPS (ttm)	-2.69
Quarterly Earnings Growth (yoy)	--

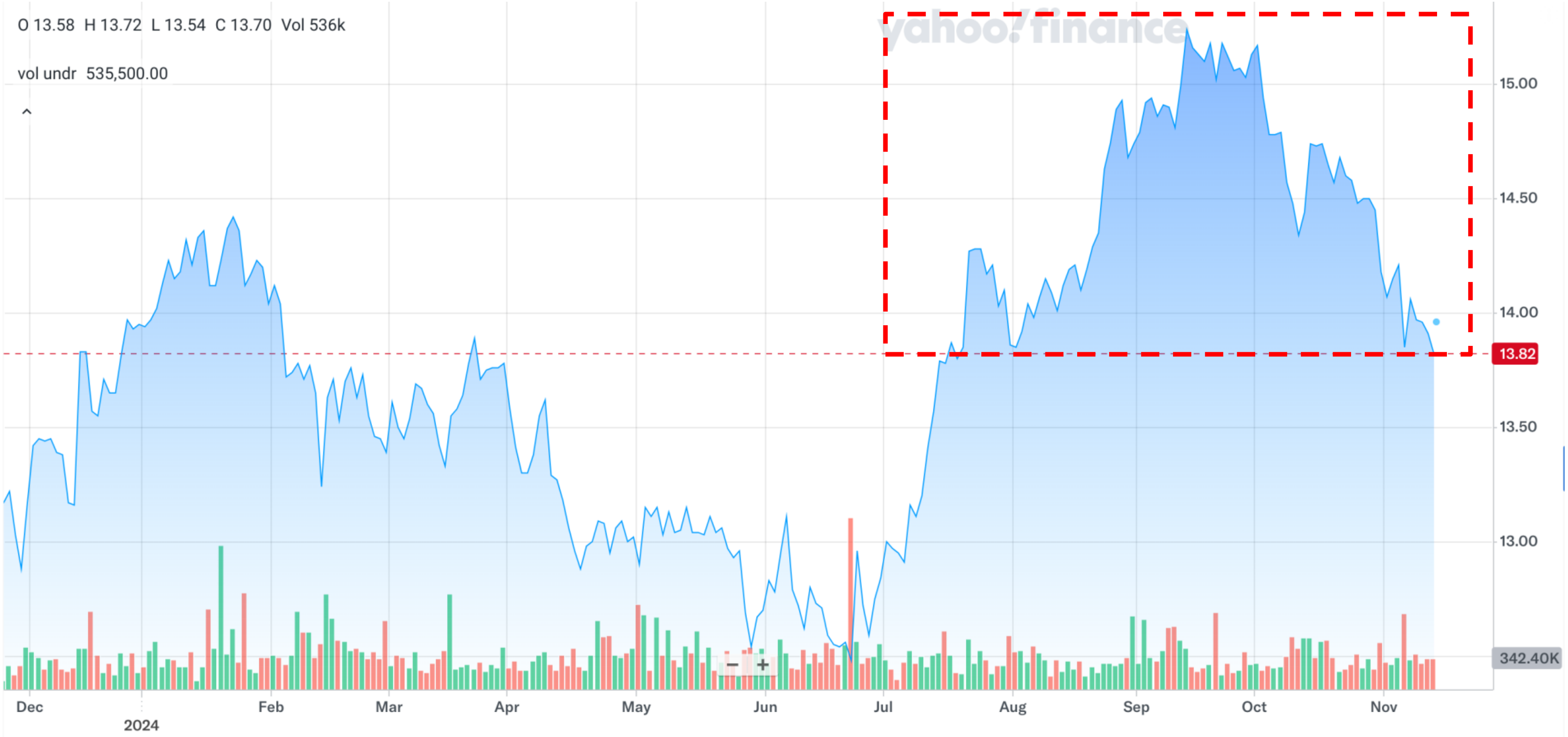
Balance Sheet

Total Cash (mrq)	79.64M
Total Cash Per Share (mrq)	0.24
Total Debt (mrq)	12.63B
Total Debt/Equity (mrq)	303.00%
Current Ratio (mrq)	0.56
Book Value Per Share (mrq)	12.72

Cash Flow Statement

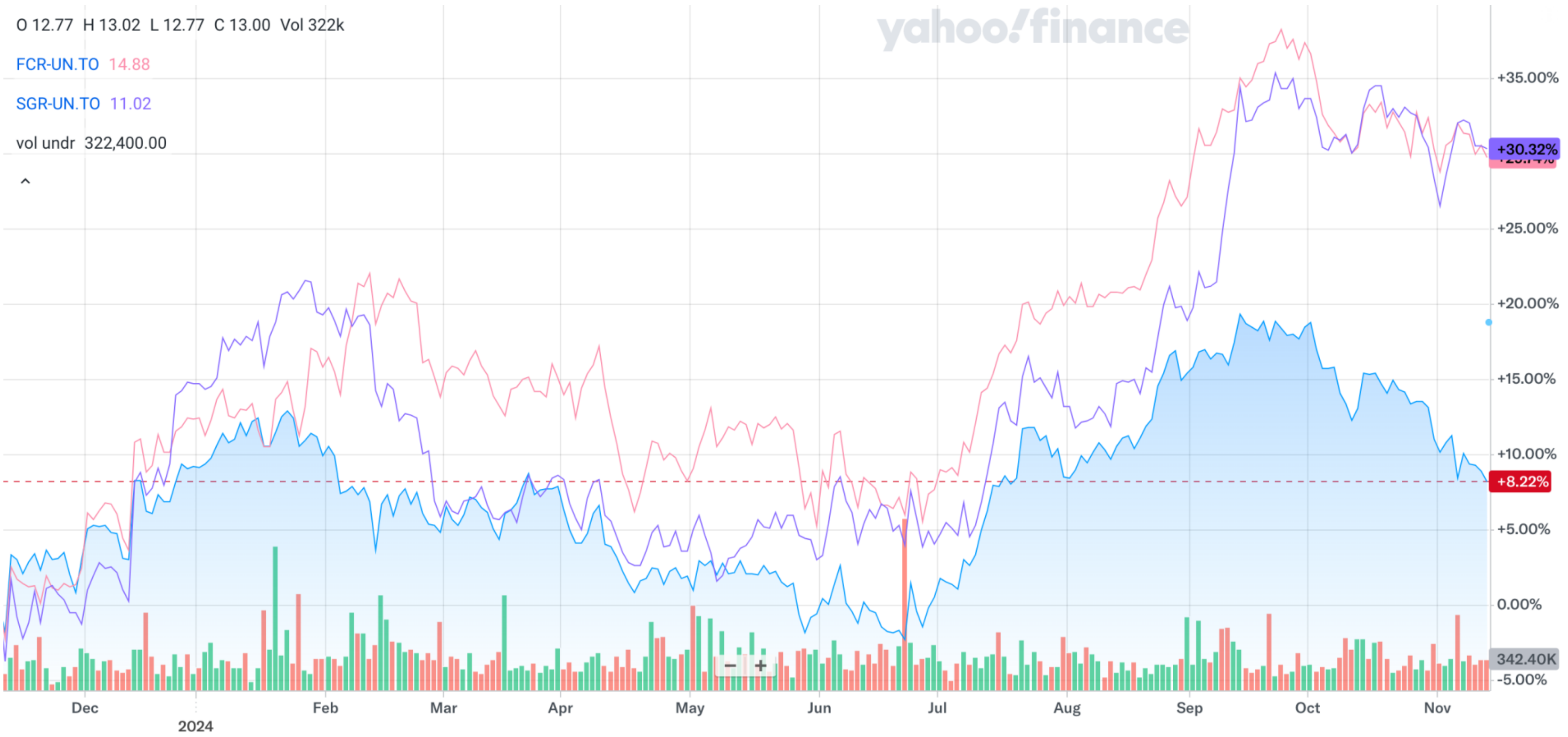
Operating Cash Flow (ttm)	689.96M
Levered Free Cash Flow (ttm)	314.93M

Performance – 1 Year



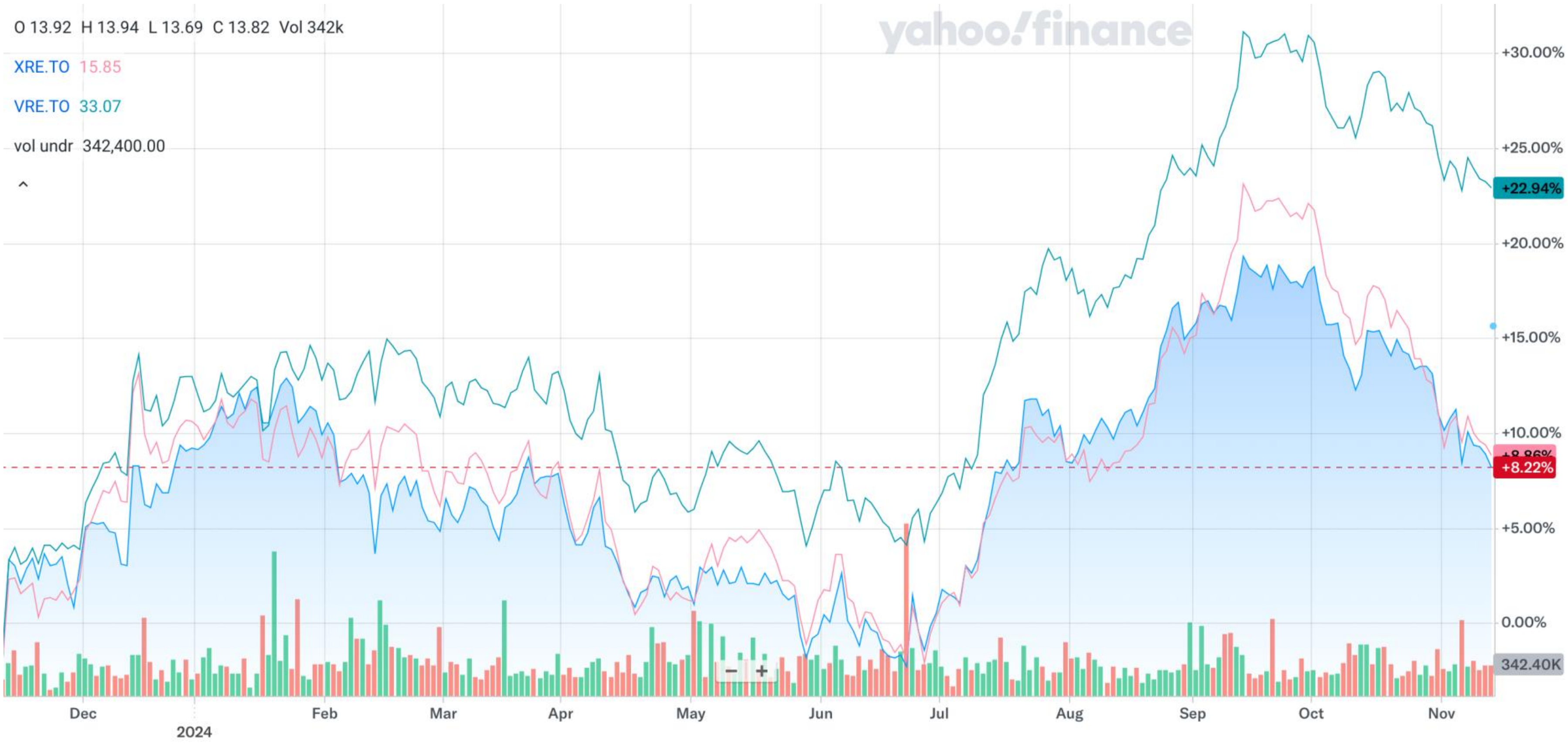
Performance – 1 Year vs. Competitors

Choice Properties



Performance – 1 Year vs. REIT ETFs

Choice Properties



Performance – 5 Year

Choice Properties

Performance – 5 Year vs. Competitors

Performance – 5 Year vs. REIT ETFs

Choice Properties

Historical Performance

Historical Performance vs. Competitors

Choice Properties

Historical Performance vs. REIT ETFs

Company Overview

- Headquartered in Toronto
- Largest Retail REIT in Canada
- Mainly owns Canadian Retail properties anchored by majority tenant and unit holder, Loblaws Companies (56.9% of GLA)
- Majority owned by George Weston Ltd. (TSX: WN) (61.7% ownership), resulting from a Loblaw effective interest spin-out
- The REIT owns and operates over **$16B** worth of real estate assets with over 750 properties

Objectives and Growth Strategy

Choice Properties

Strategy and Outlook

"We are in the business of owning, operating, and developing real estate. Our financial goals are centered on capital preservation, generating stable and growing cash flows, and delivering appreciation in Net Asset Value and distributions over time. We have a proven strategy and an unmatched foundation."

- Maintaining national footprint, underpinned by a strategic partnership with Loblaw
- Diversifying asset base through acquisitions of industrial assets, transit oriented mixed use, and residential rental
- Continued achievement of ESG Goals and metrics to reduce carbon footprint and improve property energy efficiency
- Prudent debt management and financial discipline to maintain an industry leading balance sheet

Internal Growth Strategy

Choice Properties

Choice Properties Internal Growth Strategy

Occupancy Rate Stability: Maintaining a high occupancy rate across portfolio (97.7% as of Q3 2024), supporting consistent rental income and stability

NOI Growth: Prioritizing NOI growth, with most recent quarter reporting 3.0% increase through the portfolio with a 11.7% increase in industrial NOI, showing proficiency in asset diversification

Operating Economics: Enhancing cash flow generation from existing properties through growth in AFFO per unit (21.2% YY) and efficient AFFO payout, while stabilizing CFFO through high-quality tenant mix

Investment in Development: Development Turnover - Recently transferred $21.6 million of projects under development to income-producing status, adding 41,000 sqft of new commercial GLA

Choice Properties External Growth Strategy

Strategic Partnerships: Utilizing Loblaw partnership to continue acquisitions of flagship retail locations and expand portfolio in high-demand retail locations

Targeted Geographic Expansion: Strengthen geographic presence by clustering assets around anchor tenants

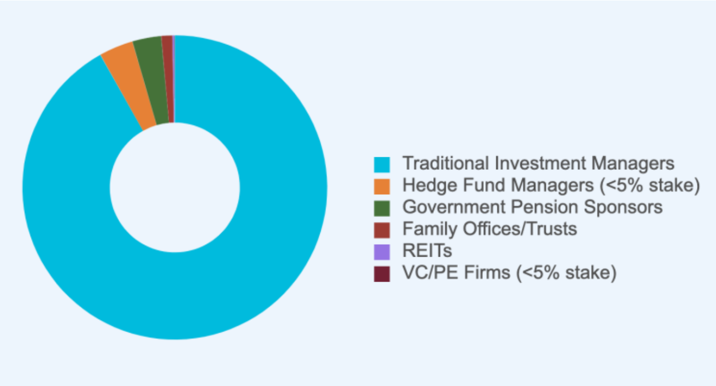
Opportunistic Dispositions: Reallocation of capital from lower-growth assets into high-potential locations to optimize portfolio composition

Ownership

Choice Properties

Ownership Summary [1]

Type	Common Stock Equivalent Held	% of Total Shares Outstanding	Market Value (USD in mm)[2]
Institutions [5]	93,818,553	28.61	928.1
Corporations (Private)	50,661,415	15.45	501.2
Individuals/Insiders	1,566,847	0.48	15.5
Public and Other [3]	181,877,157	55.46	1,799.2
Total	**327,923,972**	**100.00** [6]	**3,243.9**



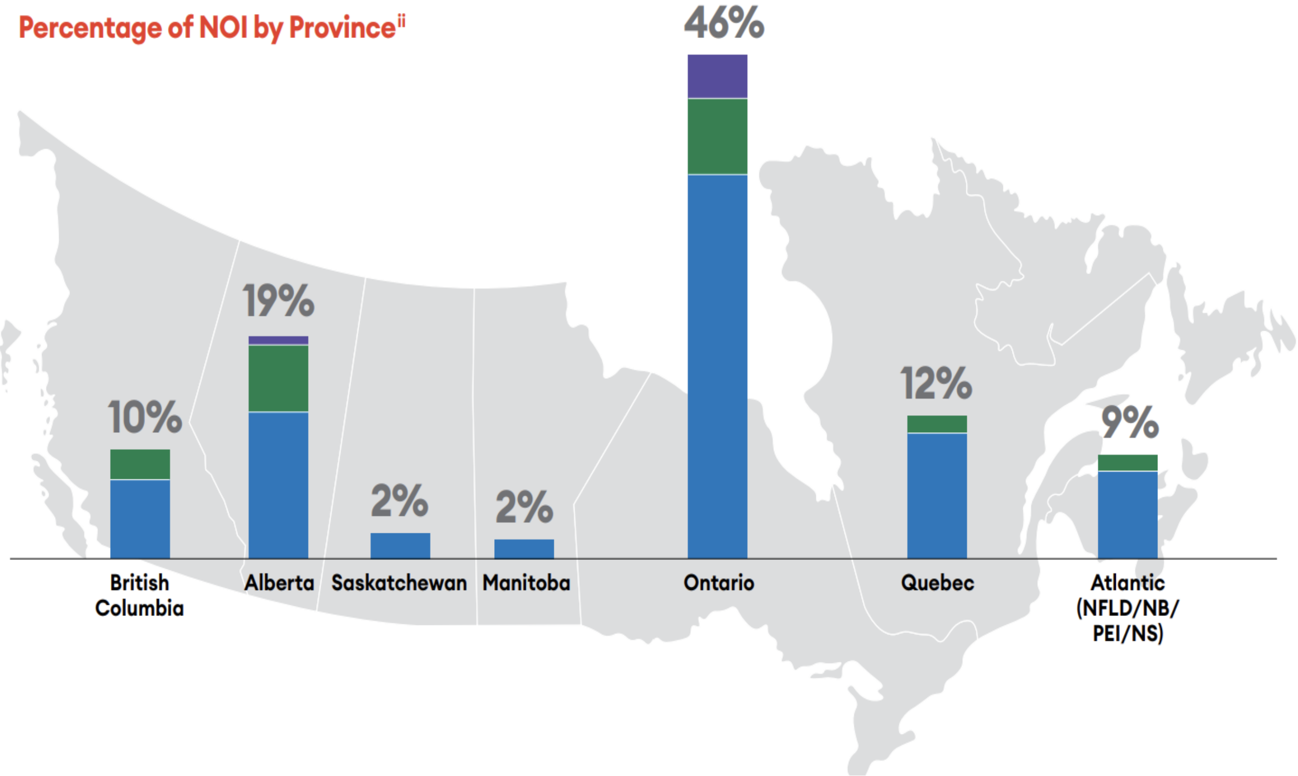
327,859,972 Trust Units Publicly Traded | 395,786,525 Special Voting Units – Fully Owned by GWG

Top Holders View All [1]

Holder	Common Stock Equivalent Held	% of Total Shares Outstanding
Wittington Investments, Limited	50,661,415	15.45
RBC Global Asset Management Inc.	22,365,985	6.82
BlackRock, Inc.	12,962,956	3.95
The Vanguard Group, Inc.	12,554,644	3.83
BMO Asset Management Corp.	8,726,242	2.66

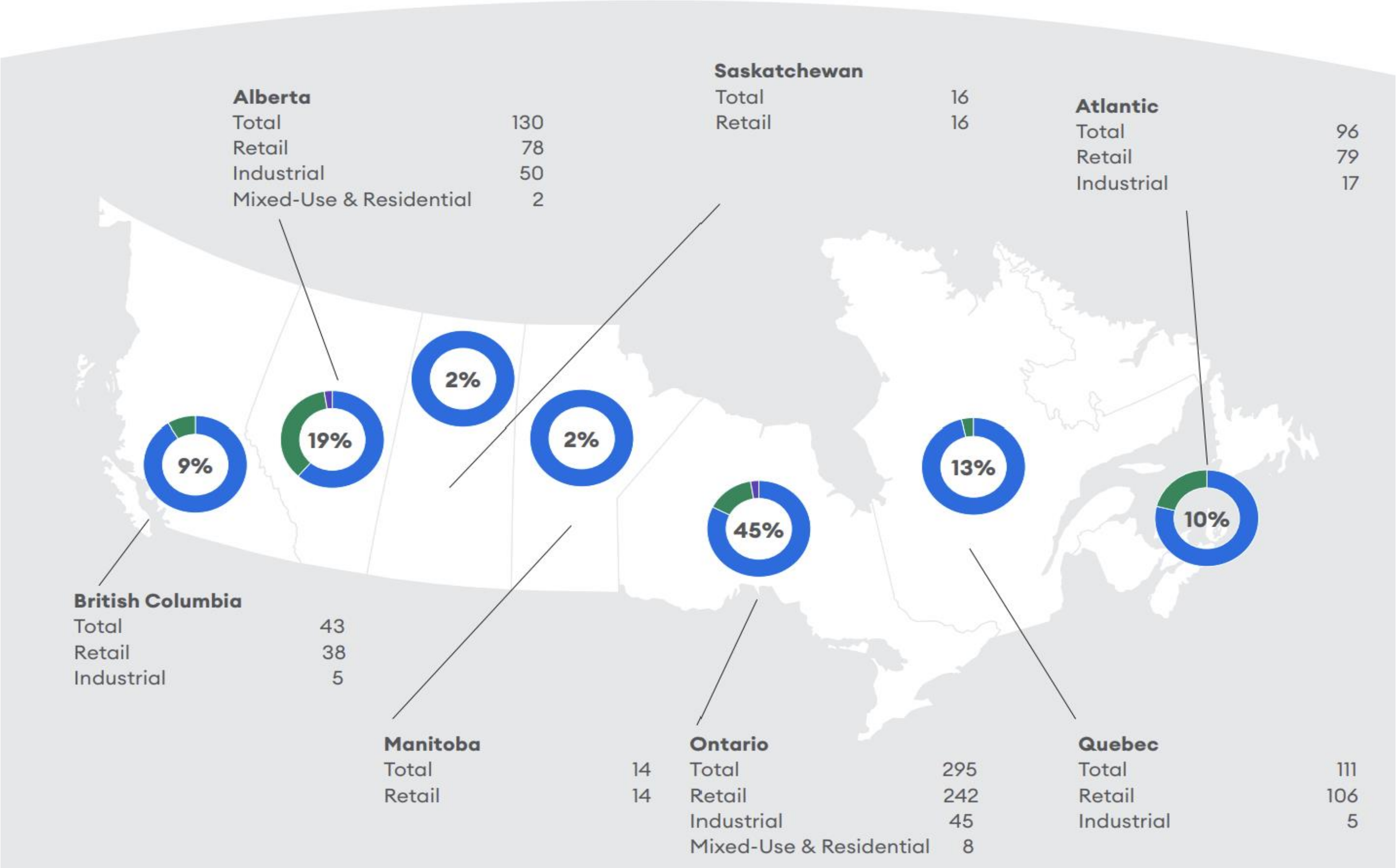
Asset Positioning

Choice Properties



- 10 Canadian Provinces
- 705 Income Producing Properties
- 66.2M Square Feet
- 81.1% Retail-Anchored Properties
- 56.9% Revenue Generated by Loblaw Leases

Asset Positioning - Breakdown



Asset Positioning - Breakdown

Choice Properties

Jurisdiction	Retail	Industrial	Mixed-Use, Residential & Other	Total
British Columbia	38	5	0	43
Alberta	78	50	2	130
Saskatchewan	16	0	0	16
Manitoba	14	0	0	14
Ontario	242	45	8	295
Quebec	106	5	0	111
Newfoundland	8	1	0	9
New Brunswick	25	4	0	29
Prince Edward Island	4	0	0	4
Nova Scotia	42	12	0	54
Grand Total	**573**	**122**	**10**	**705**

Asset Positioning - Breakdown

Choice Properties

705 Income Producing Properties | **66.2M** Square Feet | **$16.9B** Fair Value[i]

Retail

Predominately necessity-based grocery anchored retail portfolio

572 Properties

44.5M Square Feet

$11.2B Fair Value[i]

Industrial

Flexible well-located industrial portfolio

122 Properties

19.9M Square Feet

$3.9B Fair Value[i]

Mixed-Use & Residential

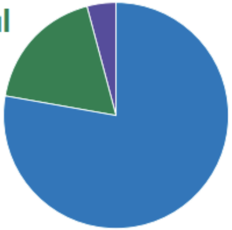
Transit oriented mixed-use and residential portfolio

11 Properties

1.8M Square Feet[iii]

$0.9B Fair Value[i]

Portfolio Mix by Asset Class[ii]



Properties Under Development

47 Projects

19.2M Square Feet

$0.9B Fair Value[i]

Tenant Profile – Anchor Tenants

Strong Necessity-Based Retail Anchor Tenants
Reliable and stable cash flow

+64%
of revenue from Loblaw banners

+68%
of revenue is from grocery and pharmacy

+83%
of revenue from necessity-based retail

Calculated as a % of the retail segment's gross rental revenue as at December 31, 2023 (Section 6)

Tenant Profile – Retail Industry

Retail Tenants		**% of Retail Annualized Gross Rental Revenue**	**GLA (000's square feet)**
1.	Loblaws	64.5 %	31,106
2.	Canadian Tire	1.8 %	904
3.	TJX Companies	1.5 %	643
4.	Dollarama	1.4 %	562
5.	Goodlife	0.9 %	362
6.	Liquor Control Board of Ontario (LCBO)	0.7 %	198
7.	TD Canada Trust	0.7 %	125
8.	Staples	0.6 %	296
9.	Walmart	0.6 %	544
10.	Sobeys	0.6 %	269
Total		**73.3 %**	**35,009**

Retail Category	**% of Retail Annualized Gross Rental Revenue**	**GLA (000's square feet)**
Grocery & Pharmacy	68.2 %	32,946
Essential Services	14.2 %	4,264
Specialty & Value	5.4 %	2,127
Fitness & Other Personal Services	4.8 %	1,648
Full-Service Restaurants	3.0 %	696
Furniture & Home	2.6 %	1,173
Other	1.8 %	569
Total	**100.0 %**	**43,423**

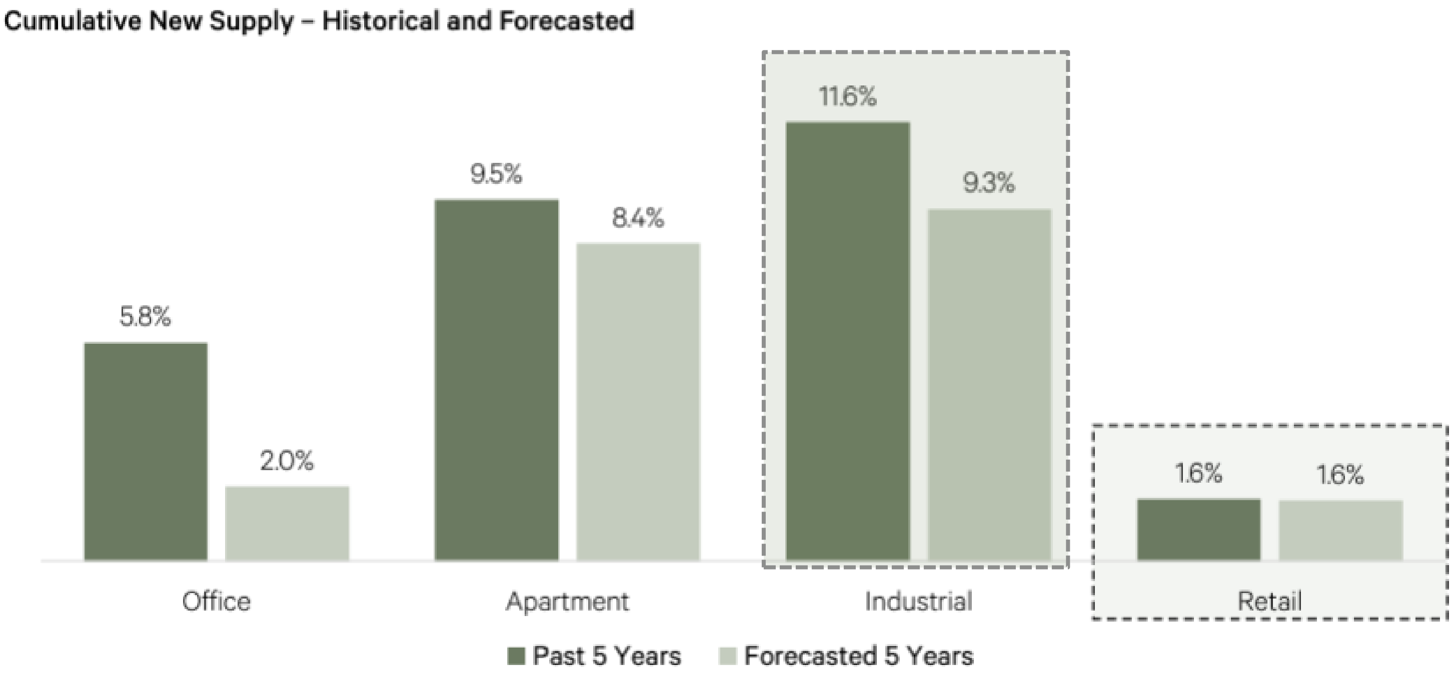
Tenant Profile – Industrial

Industrial Tenants		% of Industrial Annualized Gross Rental Revenue	GLA (000's square feet)
1.	Loblaw	30.0 %	6,449
2.	Amazon	4.9 %	1,020
3.	Canada Cartage	4.5 %	672
4.	Wonderbrands Inc.	3.7 %	1,050
5.	Pet Valu	3.5 %	353
6.	NFI IPD	2.7 %	354
7.	Uline Canada Corporation	2.3 %	635
8.	Canadian Tire	2.0 %	486
9.	Kimberly-Clark	2.0 %	514
10.	Alberta Gaming, Liquor and Cannabis	2.0 %	424
Total		**57.6 %**	**11,957**

Building Type / Tenant Use	% of Industrial Annualized Gross Rental Revenue	GLA (000's square feet)	Occupied GLA (000's square feet)	Occupancy
Distribution	54.9 %	10,777	10,612	98.5 %
Large Bay-Loblaw Distribution	30.0 %	6,449	6,449	100.0 %
Warehouse[i]	15.1 %	2,672	2,454	91.8 %
Total	**100.0 %**	**19,898**	**19,515**	**98.1 %**

Retail Space Supply

Choice Properties



Leasing Activity

Choice Properties

The following table details the changes for in-place occupancy by segment for the nine months ended September 30, 2024:

(in thousands of square feet except where otherwise indicated)	December 31, 2023 Leasable	December 31, 2023 Occupied	December 31, 2023 Occupied %	Expiries	New	Renewals	Subtotal: Absorption	Portfolio changes[iv]	Acquired (Disposed) vacancy	Nine Months September 30, 2024 Leasable	Nine Months September 30, 2024 Occupied	Nine Months September 30, 2024 Occupied %
Retail[i]	44,691	43,667	97.7 %	(3,978)	132	3,786	(60)	(184)	(28)	**44,479**	**43,423**	**97.6 %**
Industrial[ii]	19,655	19,458	99.0 %	(1,523)	152	1,184	(187)	244	(1)	**19,898**	**19,515**	**98.1 %**
Mixed-Use & Residential[iii]	1,134	1,068	94.2 %	(31)	13	31	13	15	8	**1,157**	**1,096**	**94.7 %**
Total	65,480	64,193	98.0 %	(5,532)	297	5,001	(234)	75	(21)	**65,534**	**64,034**	**97.7 %**

(i) Includes 674,000 sq. ft. that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases December 31, 2023 - 657,000 sq. ft.).

(ii) Includes 1,191,000 sq. ft. that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases (December 31, 2023 - 1,191,000 sq. ft.).

(iii) Occupancy represents retail and office portion of mixed-use properties, residential units are excluded.

(iv) Represents changes in occupied square footage arising from acquisitions, dispositions, intensifications, expansions, and transfers from properties under development.

Lease Maturities

Choice Properties

The lease maturity profile for Choice Properties' portfolio as at September 30, 2024 was as follows:

(in thousands of square feet except where otherwise indicated)	Third-party GLA	Loblaw GLA	Total GLA	Expiring GLA as a % of total GLA	Expiring annualized base rent ($ 000's)	Average expiring base rent (per square foot)
Month-to-month	469	—	469	0.7 %	$ 8,193	$ 17.56
Remainder of 2024	283	25	308	0.5 %	4,937	16.06
2025	2,690	199	2,889	4.4 %	34,477	11.94
2026	3,493	2,667	6,160	9.4 %	92,802	15.13
2027	3,069	3,949	7,018	10.7 %	113,338	16.15
2028	3,350	4,941	8,291	12.7 %	132,453	15.98
2029	2,569	7,053	9,622	14.7 %	149,882	15.58
2030 & Thereafter	8,882	18,530	27,412	41.8 %	456,482	16.67
Occupied GLA	24,805	37,364	62,169	94.9 %	992,564	15.97
Ground lease GLA(i)	934	931	1,865	2.8 %	20,746	11.12
Vacant GLA	1,500	—	1,500	2.3 %	—	—
Total	**27,239**	**38,295**	**65,534**	**100.0 %**	**$ 1,013,310**	**$ 15.82**

(i) Represents the building area on properties where the Trust has leased the underlying sites to tenants through ground leases.

Occupancy Notes

Choice Properties

(in millions of square feet except where otherwise indicated)	As at September 30, 2024 Portfolio GLA	Occupied GLA	Occupancy (%)	WALT[i] (years)	As at December 31, 2023 Portfolio GLA	Occupied GLA	Occupancy (%)	WALT[i] (years)
Loblaw banners[ii]	**38.3**	**38.3**	**100.0%**	**6.2**	37.8	37.8	100.0%	6.5
Third-party tenants[iii]	**27.2**	**25.7**	**94.5%**	**5.4**	27.7	26.4	95.4%	5.4
Total commercial GLA	**65.5**	**64.0**	**97.7%**	**5.9**	65.5	64.2	98.0%	6.0

(i) Weighted average lease term-to-maturity.
(ii) Included in Loblaw banners GLA is 0.9 million sq. ft. related to ground leases (December 31, 2023 - 0.9 million sq. ft.).
(iii) Included in third-party tenants GLA is 0.9 million sq. ft. related to ground leases (December 31, 2023 - 0.9 million sq. ft.).

Overall Occupancy: 97.7% (down from 98.0% as of December 31, 2023)

- **Retail Segment**:
  - **Decrease in Occupancy**: -0.3% due to negative absorption of 60,000 sq. ft. and net negative portfolio changes.
- **Industrial Segment**:
  - **Decrease in Occupancy**: -0.9% due to negative absorption of 187,000 sq. ft. from vacancies in Ontario and Alberta.
- **Mixed-Use & Residential Segment**:
  - **Increase in Occupancy**: +0.1% due to positive absorption of 13,000 sq. ft. from new leasing activity in Ontario.

Approved Development Opportunities

Choice Properties

Golden Mile

- Mixed-Use Master Plan Community based in Toronto
- 3.2M Sqft of total gross floor Area
- 3,600 Residential Units

Grenville & Grosvenor

- Two residential towers in Toronto
- 0.7M total gross floor area
- 34,000 sqft of commercial GLA and 770 Residential units

Submitted Development Opportunities – Prioritizing Residential

Choice Properties

Project / Location	Description
Broadview Avenue, Toronto, ON	The approximately 3 acre site is located at the southwest corner of Danforth Avenue and Broadview Avenue in Toronto's east end and is situated less than 150 metres from the Broadview TTC subway station. The current development proposal includes one residential tower, a new grocery store and a public park. The submitted application proposes 0.4 million square feet of total ground floor area, and approximately 500 residential units. The Trust continues to refine the vision for a mixed-use, transit-oriented development that will transform an underutilized site while highlighting the natural heritage and green connections of the existing community. The Official Plan, Zoning By-law Amendment and Draft Plan of Subdivision Applications have been submitted to the City of Toronto.
Carlaw Avenue, Toronto, ON	During the second quarter Choice Properties entered into an agreement with the Province of Ontario to facilitate the construction of a transit station at its Carlaw Avenue property. In partnership with the Province of Ontario, Choice Properties has developed a concept for the future transit-oriented community at this site, located at the northeast corner of Gerrard Street East and Carlaw Avenue. The approximately 5.6 acre commercial centre, currently occupied by several tenants, will become the anchor of the Gerrard TTC subway station on the future Ontario Line. The concept proposes three towers with approximately 1,000 residential units, retail offerings including a new food store, privately owned public space over the transit corridor, a new public street and a public park. Construction for the transit project is anticipated to commence in 2024 until 2030 and beyond(2) at which point, Choice Properties will begin construction on the residential towers. This project will transform the community and provide access to open space, retail and transit, creating the ultimate complete community. The Trust has submitted a Zoning Application by way of the Transit Oriented Communities Program.
Warden Avenue, Toronto, ON	The approximately 6.5 acre site is located south of the intersection of St. Clair Avenue and Warden Avenue in Toronto and 500 meters from the Warden TTC subway station. The current development plan includes approximately 2,100 residential units, over 1.3 million square feet of gross floor area and a proposal for a public park. The Trust has reached a settlement with the City of Toronto and is working to clear conditions prior to the issuance of an Official Plan Amendment and Zoning By-law Amendment.
Woodbine Avenue, Toronto, ON	The approximately 1.7 acre site is located at the northeast intersection of Woodbine Avenue and Danforth Avenue in the Danforth neighbourhood of Toronto. The site is directly adjacent to the Woodbine TTC subway station. The current redevelopment plan includes at-grade grocery retail, upgraded TTC access and two mixed-use residential buildings, with a potential density of approximately 622 residential units. The design of this project will incorporate the urban design significance of the Danforth neighbourhood and sustainable architecture. The current plan includes a large privately owned public space located off Woodbine Avenue, which provides a seamless transition from the existing neighbourhood to the new retail offering proposed at grade. A revised rezoning application that is more aligned with the evolving planning policies in the Danforth corridor was submitted during the fourth quarter of 2023 to the City of Toronto.

- 6 Additional Projects Submitted for Zoning Approval
- Large push towards residential development, particularly near public transit
- The Trust has identified a further 500 Acres for potential residential development opportunities, with over 90% in the GTA, GVA, or GMA

Development Pipeline (The Well)

($ thousands except where otherwise indicated)		GLA[i][ii] (square feet)		Investment[i][iii]		
Project type	**Section**	**Number of projects**	**Estimated upon completion[2]**	**To-date**	**Estimated cost to completion[2][iv]**	**Estimated total**
Projects under active development						
Retail	3.5	20	307,000	$ 9,282	$ 102,572	$ 111,854
Industrial	3.5	2	1,750,000	142,994	217,050	360,044
Residential[v]		1	—	2,095	—	2,095
Subtotal projects under active development		**23**	**2,057,000**	**154,371**	**319,622**	**473,993**
Developments in planning						
Retail	3.6	9	252,000	29,959		
Industrial	3.6	2	4,230,000	222,439		
Mixed-Use & Residential	3.6	13	12,601,000	159,317		
Subtotal developments in planning		**24**	**17,083,000**	**411,715**		
Total development - cost		**47**	**19,140,000**	**$ 566,086**		
Total development - fair value[vi]				**$ 884,000**		

Acquisitions and Joint Ventures

Choice Properties

($ thousands except where otherwise indicated)						Consideration	
Property / Location	Date of Acquisition	Segment	Ownership Interest Acquired	GLA (square feet)	Purchase Price incl. Related Costs	Debt Assumed from Seller	Cash
Investment properties							
Acquisitions from related parties							
396 St. Clair Ave. W, Toronto, ON	Mar 19	Retail	100%	74,322	$38,433	$—	$38,433
6941 Kennedy Rd., Mississauga, ON(i)	Sep 05	Industrial	50%	355,356	90,845	—	90,845
1385 Sargent Ave., Winnipeg, MB(i)	Sep 05	Retail	50%	75,250	16,070	—	16,070
Acquisitions from related parties				**504,928**	**145,348**	**—**	**145,348**
Acquisitions from third-parties							
755 Mount Pleasant Rd., Toronto, ON	Jun 20	Retail	100%	13,280	11,966	—	11,966
Cornerstone Shopping Centre, Fort Saskatchewan, AB	Jun 21	Retail	50%	101,577	21,125	12,153	8,972
402 and 406 Main St., Wolfville, NS	Aug 22	Retail	100%	6,500	1,323	—	1,323
Acquisitions from third-parties				**121,357**	**34,414**	**12,153**	**22,261**
Equity accounted joint ventures							
60 Carlton St., Toronto, ON(i)(ii)	Sep 05	Retail	50%	47,537	21,779	—	21,779
Acquisitions in equity accounted joint ventures				**47,537**	**21,779**	**—**	**21,779**
Total acquisitions of investment properties				**673,822**	**$201,541**	**$12,153**	**$189,388**

Dispositions of Investment Properties

Dispositions of Investment Properties

The following table summarizes the investment properties sold in the nine months ended September 30, 2024:

($ thousands except where otherwise indicated)						Consideration		
Property / Location	Date of Disposition	Segment	Ownership Interest Disposed	GLA (square feet)	Sale Price excl. Selling Costs	Debt Assumed by Purchaser	Mortgage Receivable Advanced	Cash
Investment properties								
Crossroads Shopping Centre, Edmonton, AB	Feb 14	Retail	50%	13,520	$6,700	$—	$—	$6,700
379 Orenda Rd., Brampton, ON	Mar 14	Industrial	100%	114,000	16,625	—	—	16,625
Cornerstone Shopping Centre, Olds, AB	May 13	Retail	50%	58,221	15,685	7,586	2,510	5,589
2955 Hazelton Place, Mississauga, ON	Aug 01	Retail	100%	9,461	8,150	—	—	8,150
Dispositions of investment properties				**195,202**	**47,160**	**7,586**	**2,510**	**37,064**
Equity accounted joint ventures								
Cornerstone Shopping Centre, Okotoks, AB	May 13	Retail	50%	78,370	23,500	7,705	4,300	11,495
Cornerstone Shopping Centre, Prince Albert, SK(i)	Jun 19	Retail	44%	195,901	41,244	—	4,260	36,984
Dispositions in equity accounted joint ventures				**274,271**	**64,744**	**7,705**	**8,560**	**48,479**
Assets held for sale								
Mega Centre Lebourgneuf, Quebec City, QC	Sep 13	Retail	50%	170,666	33,901	—	9,151	24,750
Dispositions of assets held for sale				**170,666**	**33,901**	**—**	**9,151**	**24,750**
Total dispositions of investment properties				**640,139**	**$145,805**	**$15,291**	**$20,221**	**$110,293**

(i) Comprised of two retail assets located in Prince Albert, SK.

Development to Income Producing Status

Choice Properties

($ thousands except where otherwise indicated)

Project / Location	Completion date	Ownership %	Transferred GLA (square feet)	Transferred residential units[i]	Cost of assets transferred	Expected stabilized yield[2] [ii
Commercial						
Retail						
Guelph St., Georgetown, ON	Q1 2024	100 %	26,000	—	$ 7,900	8.8 %
Harvest Hills Market, Edmonton, AB[vi]	Q2 2024	50 %	1,000	—	516	12.6 % [ii
Carlton Spur, Prince Albert, SK	Q2 2024	25 %	2,000	—	666	9.5 % [iv
43rd Ave., Innisfail, AB	Q2 2024	100 %	17,000	—	6,055	6.8 % [iv
Highway 88, Bradford, ON[vi]	Q2 2024	100 %	24,000	—	732	25.3 %
137 Ave., Edmonton, AB	Q3 2024	100 %	7,000	—	4,383	7.0 % [iv
Sunwapta West, Building 6-8, Edmonton, AB[vi]	Q3 2024	50 %	5,000	—	4,188	5.6 % [v
Country Village Rd. NE, Calgary, AB	Q3 2024	100 %	29,000	—	12,777	6.3 %
Subtotal retail development			**111,000**	**—**	**37,217**	**7.4 %**
Mixed-Use & Residential						
Mount Pleasant Village, Brampton, ON	Q1 2024	50 %	101,000	151	66,685	4.7 % [ii
Subtotal mixed-use & residential development			**101,000**	**151**	**66,685**	**4.7 %**
Total transferred properties at cost			**212,000**	**151**	**$ 103,902**	**5.7 %**
Total transferred properties at fair value					**$ 104,442**	

Leadership Team Overview

Choice Properties

Rael L. Diamond

President and Chief Executive Officer

Mario Barrafato

Chief Financial Officer

Niall Collins

Chief Operating Officer and Executive Vice President, Development and Construction

Erin Johnston

Senior Vice President, Finance

Julie Robinson

Senior Vice President, Construction

Simone Cole

Vice President, General Counsel and Secretary

CEO – Rael Diamond

Choice Properties

- President of Choice since 2018, CEO since 2019, succeeding Stephen Johnson, one of the founding fathers of Canadian REITS
- Prev. at CREIT as President & COO for 10 Years and CFO for 2 Years
- Began Career at Brookfield Asset Management, rising to SVP in under 10 years
- Over 30 years of Infrastructure and Real Estate Experience
- York Graduate with CPA Letters
- Fun fact: Avid Golfer

CFO – Mario Barrafato

Choice Properties

- CFO at Choice Properties since 2015
- Prev. EVP and CFO at CREIT for 3 years
- Served as CFO of several public real estate entities managed by Dream Asset Management Corp.
- Earned CPA letters while at KPMG
- McMaster Grad
- Fun Fact: Vocally anti-Trudeau

COO and EVP, Const. & Development - Niall Collins

Choice Properties

- COO since beginning of 2024, EVP of Construction and Development since 2023
- Prev. President and COO of Great Gulf, a residential focused real estate developer
- Spent time at Cadillac Fairview and Toronto, and previously held successive roles in cost consulting and infrastructure development in Ireland
- Masters of Science in Real Estate from the Technological University of Dublin
- Fun Fact: He’s a photographer

SVP, Finance - Erin Johnston

Choice Properties

- Responsible for FP&A, Investor Relations, Capital Management, and Corporate Accounting
- Previously held roles across George Weston Companies, Loblaw Companies Ltd.
- Began career at KPMG in Accounting, earning CPA letters
- Bcom. in Accounting from McGill
- Fun Fact: Enjoys hikes

SVP, Construction - Julie Robinson

Choice Properties

- Responsible for Construction of all asset classes including retail, industrial, mixed-use, and residential
- Prev. Hines Canada, holding successive roles in Civil Engineering, Project & Construction Management
- Fun Fact: Attended school in the Caribbean

VP, General Counsel and Secretary – Simone Cole

Choice Properties

- Has spent over a decade within the George Weston Group of Companies in successive legal roles
- Prev. Corporate Lawyer at Torys on Bay Street
- LLB from UNB, Additional Degrees from STU
- Fun Fact: Originally wanted to be a teacher

Board of Trustees Overview

Choice Properties

Gordon Currie
Chairman

Jay Cross
Trustee

Rael Diamond
Trustee

Diane Kazarian
Trustee

Karen Kinsley
Trustee

Michael Lattimer
Trustee

Nancy Lockhart
Trustee

Dale Ponder
Trustee

Qi Tang
Trustee

Cornell Wright
Trustee

Board of Trustees Overview

Choice Properties

Trustees

Name, Province and Country of Residence	Position	Trustee Since	Committees	Principal Occupation[4]
Gordon A.M. Currie[1] Ontario, Canada	Chair of the Board	2021	-	Corporate Director
L. Jay Cross New York, USA	Trustee	2020	Audit	President, The Howard Hughes Corporation
Rael L. Diamond[2]	Trustee	2023	-	President and Chief Executive Officer of Choice Properties
Graeme M. Eadie Ontario, Canada	Lead Independent Trustee	2013	Governance, Compensation and Nominating (Chair)	Consultant
Diane A. Kazarian Ontario, Canada	Trustee	2022	Audit	Corporate Director
Karen A. Kinsley Ontario, Canada	Trustee	2018	Audit (Chair), Governance, Compensation and Nominating	Corporate Director
R. Michael Latimer Ontario, Canada	Trustee	2018	Governance, Compensation and Nominating	Corporate Director
Nancy H.O Lockhart Ontario, Canada	Trustee	2019	Governance, Compensation and Nominating	Corporate Director
Dale R. Ponder Ontario, Canada	Trustee	2019	Audit	Corporate Director
Qi Tang Ontario, Canada	Trustee	2023	Audit	Chief Financial Officer, Skyservice Investments, Inc.
Cornell Wright[3] Ontario, Canada	Trustee	2022	-	President, Wittington Investments, Limited

- Mr. Currie, Mr. Diamond, and Mr. Wright are non-independent trustees as their principal occupation is involved with GWG or Loblaw in some capacity

2024Q3 – KPI Summary

Choice Properties

As at or for the three months ended September 30, 2024 ($ thousands except where otherwise indicated)		2024		2023
Number of income producing properties[i]		705		706
GLA (in millions of square feet)[ii]		66.2		65.2
Occupancy*[ii]		97.7 %		97.7 %
Total assets (GAAP)	$	17,404,880	$	17,259,515
Total liabilities (GAAP)	$	13,235,011	$	12,374,143
Rental revenue (GAAP)	$	339,898	$	325,077
Net (loss) income	$	(662,989)	$	435,903
Net (loss) income per unit diluted	$	(0.916)	$	0.602
FFO[1] per unit diluted*	$	0.258	$	0.250
FFO[1] payout ratio*		73.7 %		75.0 %
AFFO[1] per unit diluted*	$	0.229	$	0.189
AFFO[1] payout ratio*		82.9 %		99.4 %
Distribution declared per unit	$	0.190	$	0.188
Weighted average number of units outstanding – diluted[iii]		723,683,222		723,664,818
Adjusted debt to total assets[1][iv]*		40.0 %		40.6 %
Debt service coverage[iv]*		2.9x		3.0x
Adjusted debt to EBITDAFV[1][iv][v]*		7.0x		7.4x
Indebtedness[vi] – weighted average term to maturity*		6.2 years		6.0 years
Indebtedness[vi] – weighted average interest rate*		4.17 %		4.03 %

2024Q3 Financial Performance - Income

Choice Properties

($ thousands)	Retail	Industrial	Mixed-Use & Residential	Proportionate Share Basis[1]	Adjustment to GAAP[i]	GAAP Basis
Rental revenue, excluding straight-line rental revenue and lease surrender revenue	$ 269,955	$ 68,069	$ 18,437	$ 356,461	$ (21,090)	$ 335,371
Property operating costs	(75,306)	(18,178)	(7,025)	(100,509)	7,616	(92,893)
Net Operating Income, Cash Basis[1]	**194,649**	**49,891**	**11,412**	255,952	(13,474)	242,478
Straight-line rental revenue	(1,476)	1,442	308	274	(620)	(346)
Lease surrender revenue	4,871	—	2	4,873	—	4,873
Net Operating Income, Accounting Basis	**198,044**	**51,333**	**11,722**	261,099	(14,094)	247,005
Other Income and Expenses						
Interest income				13,251	4,061	17,312
Investment income				5,315	—	5,315
Fee income				1,351	—	1,351
Net interest expense and other financing charges				(155,833)	5,423	(150,410)
General and administrative expenses				(19,008)	—	(19,008)
Share of income from equity accounted joint ventures				—	5,230	5,230
Amortization of intangible assets				(250)	—	(250)
Adjustment to fair value of unit-based compensation				(3,339)	—	(3,339)
Adjustment to fair value of Exchangeable Units				(906,351)	—	(906,351)
Adjustment to fair value of investment properties				82,793	(620)	82,173
Adjustment to fair value of investment in real estate securities				57,983	—	57,983
Net Loss				$ (662,989)	$ —	$ (662,989)

2024Q3 Fin. Performance – FFO, AFFO, Distributions

Choice Properties

($ thousands except where otherwise indicated)	Third Quarter 2024	Second Quarter 2024	First Quarter 2024	Fourth Quarter 2023	Third Quarter 2023	Second Quarter 2023	First Quarter 2023	Fourth Quarter 2022	Third Quarter 2022
Funds from Operations	$ 186,647	$ 184,714	$ 187,189	$ 184,640	$ 181,013	$ 183,590	$ 176,891	$ 174,183	$ 173,119
FFO per unit - diluted	$ 0.258	$ 0.255	$ 0.259	$ 0.255	$ 0.250	$ 0.254	$ 0.244	$ 0.241	$ 0.239
FFO payout ratio - diluted[i]	73.7%	74.4%	72.8%	73.5%	75.0%	73.9%	76.0%	76.8%	77.3%
Distribution declared per unit	$ 0.190	$ 0.190	$ 0.188	$ 0.188	$ 0.188	$ 0.188	$ 0.186	$ 0.185	$ 0.185
Adjusted Funds from Operations	$ 165,876	$ 176,600	$ 173,146	$ 127,095	$ 136,558	$ 170,400	$ 164,379	$ 126,935	$ 130,360
AFFO per unit - diluted	$ 0.229	$ 0.244	$ 0.239	$ 0.176	$ 0.189	$ 0.235	$ 0.227	$ 0.175	$ 0.180
Cash distributions declared	137,499	137,492	136,287	135,683	135,684	135,684	134,478	133,858	133,856
AFFO payout ratio - diluted[i]	82.9%	77.9%	78.7%	106.8%	99.4%	79.6%	81.8%	105.5%	102.7%

2024 Q3 Financial Performance – Debt Structure

Choice Properties

Debt Metrics Q3 2024

Adjusted Debt [(1)]	$7.2B
Adjusted Debt to EBITDAFV [(1)]	7.0x
Weighted Avg. Term to Maturity [i]	6.2 years
Weighted Avg. Interest Rate [i]	4.17%
Unencumbered Assets	$12.9B
Adjusted Debt to Total Assets [(1)]	40.0%

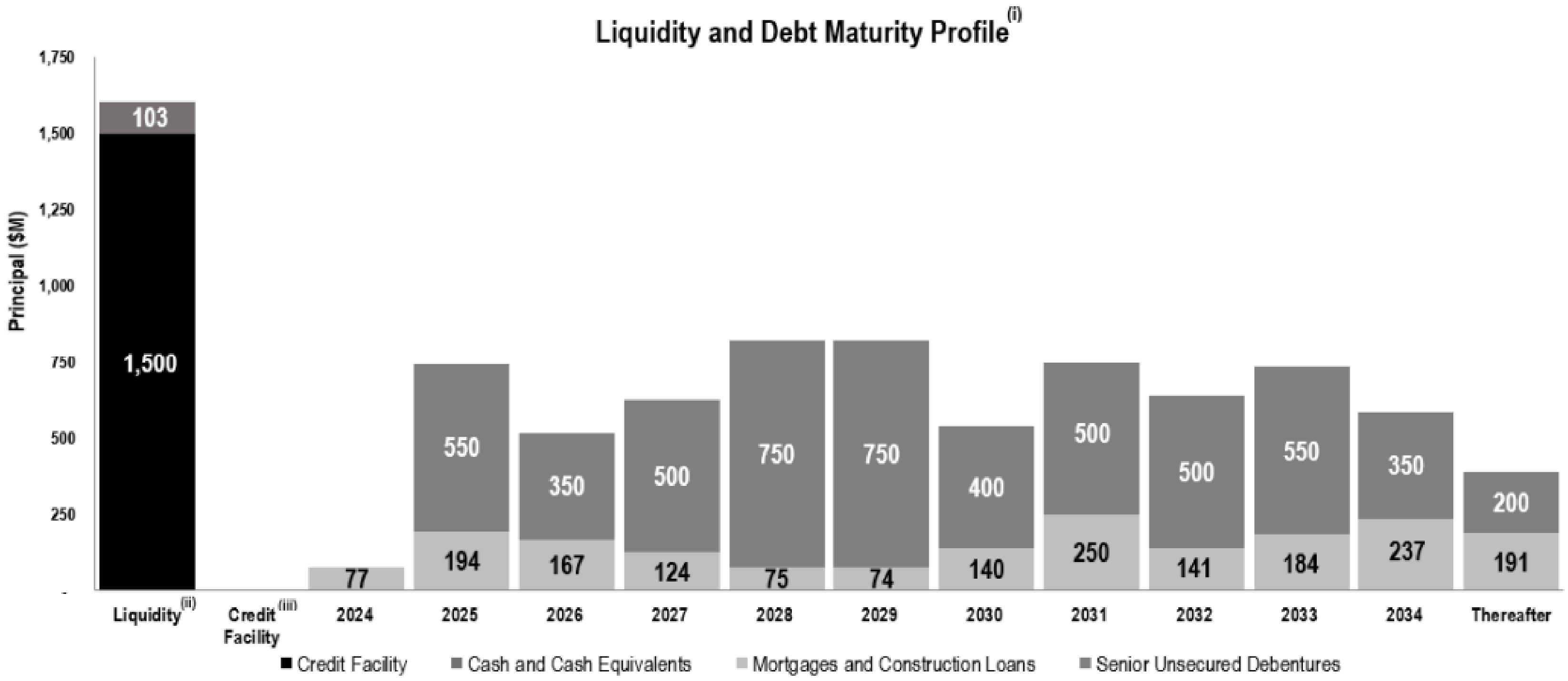
4.3 Components of Total Adjusted Debt

Choice Properties' debt structure was as follows:

As at September 30, 2024 ($ thousands)	GAAP Basis	Proportionate Share Basis[(1)]	Proportionate Share Basis[(1)] Weighted average term to maturity (years)	Proportionate Share Basis[(1)] Weighted average interest rate (%)
Construction loans	$ 5,230	$ 74,471	1.2	6.12 %
Credit facility	—	—	—	— %
Less: Debt placement costs[(i)]	—	—		
Variable rate debt	5,230	74,471	1.2	6.12%
Construction loans	59,622	59,622	6.6	2.08 %
Senior unsecured debentures	5,400,000	5,400,000	5.6	4.20 %
Mortgages payable	1,198,974	1,719,628	7.9	4.16 %
Less: Debt placement costs, discounts and premiums	(21,144)	(29,003)		
Fixed rate debt	6,637,452	7,150,247	6.2	4.17%
Total adjusted debt, net	$ 6,642,682	$ 7,224,718		

2024 Q3 Financial Performance – Debt Maturity

Choice Properties



2024 Q3 Financial Performance – Debt Breakdown

($ thousands)		As at September 30, 2024		As at December 31, 2023
Senior unsecured debentures	$	**5,382,133**	$	5,632,522
Mortgages payable		**1,195,697**		973,342
Construction loans		**64,852**		90,059
Long term debt	$	**6,642,682**	$	6,695,923

Senior Unsecured Debentures

Series	Issuance / Assumption Date	Maturity Date	Interest Rate		As at September 30, 2024		As at December 31, 2023
($ thousands)							
D	Feb 8, 2014	Feb 8, 2024	4.29%	$	**—**	$	200,000
F	Nov 24, 2015	Nov 24, 2025	4.06%		**200,000**		200,000
H	Mar 7, 2016	Mar 7, 2046	5.27%		**100,000**		100,000
J	Jan 12, 2018	Jan 10, 2025	3.55%		**350,000**		350,000
K	Mar 8, 2018	Sept 9, 2024	3.56%		**—**		550,000
L	Mar 8, 2018	Mar 8, 2028	4.18%		**750,000**		750,000
M	Jun 11, 2019	Jun 11, 2029	3.53%		**750,000**		750,000
N	Mar 3, 2020	Mar 4, 2030	2.98%		**400,000**		400,000
O	Mar 3, 2020	Mar 4, 2050	3.83%		**100,000**		100,000
P	May 22, 2020	May 21, 2027	2.85%		**500,000**		500,000
Q	Nov 30, 2021	Nov 30, 2026	2.46%		**350,000**		350,000
R	Jun 24, 2022	Jun 24, 2032	6.00%		**500,000**		500,000
S	Mar 1, 2023	Mar 1, 2033	5.40%		**550,000**		550,000
T	Aug 1, 2023	Feb 28, 2034	5.70%		**350,000**		350,000
U	May 23, 2024	Feb 28, 2031	5.03%		**500,000**		—
Total principal outstanding					**5,400,000**		5,650,000

2024 Q3 Financial Performance – Debt Service

Choice Properties

		As at September 30, 2024	As at December 31, 2023
Adjusted Debt to Total Assets(1)(i)	Limit: Maximum excluding convertible debt is 60.0%	40.0 %	40.4 %
Debt Service Coverage Ratio(1)(i)	Limit: Minimum 1.5x	2.9x	3.0x
Adjusted Debt to EBITDAFV(1)(i)(ii)(iii)(iv)(v)		7.0x	7.2x
Interest Coverage Ratio(1)(iii)(iv)		3.2x	3.4x

Interest Coverage Remains Strong, Despite Market Headwinds

2024 Q3 Balance Sheet (in thousands of CAD)

Choice Properties

($ thousands)	As at September 30, 2024 GAAP Basis	As at September 30, 2024 Adjustment to Proportionate Share Basis[1]	As at September 30, 2024 Proportionate Share Basis[1]	As at December 31, 2023 GAAP Basis	As at December 31, 2023 Adjustment to Proportionate Share Basis[1]	As at December 31, 2023 Proportionate Share Basis[1]
Assets						
Investment properties	$ 15,207,000	$ 1,723,000	$ 16,930,000	$ 14,923,000	$ 1,722,000	$ 16,645,000
Equity accounted joint ventures	837,879	(837,879)	—	883,712	(883,712)	—
Financial real estate assets	199,111	(199,111)	—	195,457	(195,457)	—
Residential development inventory	2,095	—	2,095	8,681	—	8,681
Mortgages, loans and notes receivable	606,030	(95,134)	510,896	656,001	(95,756)	560,245
Investment in real estate securities	238,780	—	238,780	238,308	—	238,308
Intangible assets	13,214	—	13,214	13,964	—	13,964
Accounts receivable and other assets	183,255	17,476	200,731	137,180	10,247	147,427
Assets held for sale	43,585	—	43,585	—	—	—
Cash and cash equivalents	73,931	29,199	103,130	252,424	23,195	275,619
Total Assets	$ 17,404,880	$ 637,551	$ 18,042,431	$ 17,308,727	$ 580,517	$ 17,889,244

2024 Q3 Balance Sheet (in thousands of CAD)

Choice Properties

	As at September 30, 2024			As at December 31, 2023		
	GAAP Basis	Adjustment to Proportionate Share Basis[1]	Proportionate Share Basis[1]	GAAP Basis	Adjustment to Proportionate Share Basis[1]	Proportionate Share Basis[1]
Liabilities and Equity						
Long term debt	$ 6,642,682	$ 582,036	$ 7,224,718	$ 6,695,923	$ 529,129	$ 7,225,052
Exchangeable Units	5,988,250	—	5,988,250	5,521,222	—	5,521,222
Trade payables and other liabilities	604,079	55,515	659,594	723,080	51,388	774,468
Total Liabilities	13,235,011	637,551	13,872,562	12,940,225	580,517	13,520,742
Equity						
Unitholders' equity	4,169,869	—	4,169,869	4,368,502	—	4,368,502
Total Equity	4,169,869	—	4,169,869	4,368,502	—	4,368,502
Total Liabilities and Equity	$ 17,404,880	$ 637,551	$ 18,042,431	$ 17,308,727	$ 580,517	$ 17,889,244

2023 Balance Sheet (in thousands of CAD)

Choice Properties

	As at December 31, 2023			As at December 31, 2022		
($ thousands)	**GAAP Basis**	**Reconciliation**	**Proportionate Share Basis[1]**	GAAP Basis	Reconciliation	Proportionate Share Basis[1]
Assets						
Investment properties	**$ 14,923,000**	**$ 1,722,000**	**$ 16,645,000**	$ 14,444,000	$ 1,710,000	$ 16,154,000
Equity accounted joint ventures	**883,712**	**(883,712)**	**—**	995,822	(995,822)	—
Financial real estate assets	**195,457**	**(195,457)**	**—**	109,509	(109,509)	—
Residential development inventory	**8,681**	**—**	**8,681**	18,785	—	18,785
Mortgages, loans and notes receivable	**656,001**	**(95,756)**	**560,245**	680,475	(96,072)	584,403
Investment in real estate securities	**238,308**	**—**	**238,308**	302,314	—	302,314
Intangible assets	**13,964**	**—**	**13,964**	21,369	—	21,369
Accounts receivable and other assets	**137,180**	**10,247**	**147,427**	132,117	(2,116)	130,001
Assets held for sale	**—**	**—**	**—**	50,400	—	50,400
Cash and cash equivalents	**252,424**	**23,195**	**275,619**	64,736	23,379	88,115
Total Assets	**$ 17,308,727**	**$ 580,517**	**$ 17,889,244**	$ 16,819,527	$ 529,860	$ 17,349,387

2023 Balance Sheet (in thousands of CAD)

Choice Properties

	As at December 31, 2023			As at December 31, 2022		
Liabilities and Equity	GAAP Basis	Reconciliation	Proportionate Share Basis[1]	GAAP Basis	Reconciliation	Proportionate Share Basis[1]
Long term debt	$ 6,695,923	$ 529,129	$ 7,225,052	$ 6,294,101	$ 496,493	$ 6,790,594
Credit facility	—	—	—	257,617	—	257,617
Exchangeable Units	5,521,222	—	5,521,222	5,841,809	—	5,841,809
Trade payables and other liabilities	723,080	51,388	774,468	601,847	33,367	635,214
Total Liabilities	12,940,225	580,517	13,520,742	12,995,374	529,860	13,525,234
Equity						
Unitholders' equity	4,368,502	—	4,368,502	3,824,153	—	3,824,153
Total Equity	4,368,502	—	4,368,502	3,824,153	—	3,824,153
Total Liabilities and Equity	$ 17,308,727	$ 580,517	$ 17,889,244	$ 16,819,527	$ 529,860	$ 17,349,387

2023 Income Statement (in thousands of CAD)

Choice Properties

(in thousands of Canadian dollars)	Note	Year Ended December 31, 2023	Year Ended December 31, 2022
Net Rental Income			
Rental revenue	21	**$ 1,309,170**	$ 1,264,594
Property operating costs	22	**(369,060)**	(363,953)
		940,110	900,641
Residential Inventory Income			
Gross sales	10	**25,634**	—
Cost of sales	10	**(21,008)**	—
		4,626	—
Other Income and Expenses			
Interest income	23	**41,414**	27,360
Investment income	12	**26,928**	15,495
Fee income	24	**4,287**	3,793
Net interest expense and other financing charges	25	**(566,147)**	(536,857)
General and administrative expenses	26	**(64,230)**	(47,821)
Share of income from equity accounted joint ventures	7	**39,069**	353,867
Amortization of intangible assets	13	**(1,000)**	(1,000)

2023 Income Statement (in thousands of CAD)

Choice Properties

(in thousands of Canadian dollars)	Note	Year Ended December 31, 2023	Year Ended December 31, 2022
Transaction costs and other related expenses	5	**(34)**	(5,108)
Adjustment to fair value of unit-based compensation	20	**938**	(1,191)
Adjustment to fair value of Exchangeable Units	17	**320,587**	170,188
Adjustment to fair value of investment properties	6	**114,150**	113,115
Adjustment to fair value of investment in real estate securities	12	**(64,006)**	(248,346)
Income before Income Taxes		**796,692**	744,136
Income tax recovery (expense)	18	**(1)**	117
Net Income		**$ 796,691**	$ 744,253

Net Income		**$ 796,691**	$ 744,253
Other Comprehensive Income (Loss)			
Unrealized gain (loss) on designated hedging instruments	28	**(6,374)**	11,568
Other comprehensive income (loss)		**(6,374)**	11,568
Comprehensive Income		**$ 790,317**	$ 755,821

2024 Q3 Income Statement (in thousands of CAD)

Choice Properties

(in thousands of Canadian dollars)	Note	Three Months September 30, 2024	Three Months September 30, 2023	Nine Months September 30, 2024	Nine Months September 30, 2023
Net Rental Income					
Rental revenue	15	**$ 339,898**	$ 325,077	**$ 1,013,244**	$ 980,061
Property operating costs	16	**(92,893)**	(87,229)	**(284,193)**	(274,674)
		247,005	237,848	**729,051**	705,387
Residential Inventory Income					
Gross sales		**—**	—	**11,268**	—
Cost of sales		**—**	—	**(9,234)**	—
		—	—	**2,034**	—
Other Income and Expenses					
Interest income		**17,312**	11,147	**42,346**	31,443
Investment income		**5,315**	5,315	**15,945**	15,945
Fee income		**1,351**	821	**2,677**	3,162
Net interest expense and other financing charges	17	**(150,410)**	(142,292)	**(438,898)**	(422,774)
General and administrative expenses		**(19,008)**	(16,420)	**(50,846)**	(44,631)
Share of income from equity accounted joint ventures		**5,230**	4,823	**11,318**	31,000

2024 Q3 Income Statement (in thousands of CAD)

Choice Properties

(in thousands of Canadian dollars)	Note	Three Months September 30, 2024	Three Months September 30, 2023	Nine Months September 30, 2024	Nine Months September 30, 2023
Amortization of intangible assets		**(250)**	(250)	**(750)**	(750)
Transaction costs and other related expenses	13	**—**	—	**38,615**	(34)
Adjustment to fair value of unit-based compensation	14	**(3,339)**	643	**(1,270)**	2,373
Adjustment to fair value of Exchangeable Units	12	**(906,351)**	352,250	**(467,028)**	823,236
Adjustment to fair value of investment properties	5	**82,173**	26,775	**108,843**	188,595
Adjustment to fair value of investment in real estate securities		**57,983**	(44,757)	**472**	(90,576)
(Loss) Income before Income Taxes		**(662,989)**	435,903	**(7,491)**	1,242,376
Income tax recovery (expense)		**—**	—	**12**	(1)
Net (Loss) Income		**$ (662,989)**	$ 435,903	**$ (7,479)**	$ 1,242,375

- Unfavourable fair value adjustment of units (which are marked to market), created a negative impact on the income statement, as a result of the increase in the price of the unit. Does not indicate a decline in core business performance, may actually indicate opposite

2023 Cash Flow Statement (in thousands of CAD)

Choice Properties

(in thousands of Canadian dollars)	Note	Year Ended December 31, 2023	Year Ended December 31, 2022
Operating Activities			
Net income		**$ 796,691**	$ 744,253
Net interest expense and other financing charges	25	**566,147**	536,857
Interest paid		**(262,521)**	(243,809)
Interest income	23	**(41,414)**	(27,360)
Interest received		**31,675**	17,809
Share of income from equity accounted joint ventures	7	**(39,069)**	(353,867)
Distributions from equity accounted joint ventures	7, 30(d)	**33,913**	68,076
Additions to residential inventory	10	**(9,758)**	(8,285)
Direct leasing costs and tenant improvement allowances	30(d)	**(28,455)**	(28,123)
Cash paid on vesting of restricted and performance units	30(d)	**(2,952)**	(4,689)
Items not affecting cash and other items	30(a)	**(362,087)**	(28,539)
Net change in non-cash working capital	30(b)	**(40,198)**	(3,905)
Cash Flows from Operating Activities		**641,972**	668,418

2023 Cash Flow Statement (in thousands of CAD)

Choice Properties

(in thousands of Canadian dollars)	Note	Year Ended **December 31, 2023**	December 31, 2022
Investing Activities			
Acquisitions of investment properties	5	**(143,843)**	(162,978)
Acquisitions of financial real estate assets	5, 9	**(86,452)**	(15,054)
Additions to investment properties	6	**(228,962)**	(151,624)
Additions to financial real estate assets	9	**(470)**	(4,552)
Contributions to equity accounted joint ventures	7	**(31,816)**	(126,911)
Mortgages, loans and notes receivable advances	11	**(359,765)**	(340,702)
Mortgages, loans and notes receivable repayments	11	**293,106**	35,857
Proceeds from dispositions	5	**196,857**	109,281
Cash Flows used in Investing Activities		**(361,345)**	(656,683)

2023 Cash Flow Statement (in thousands of CAD)

Choice Properties

(in thousands of Canadian dollars)	Note	Year Ended December 31, 2023	Year Ended December 31, 2022
Financing Activities			
Proceeds from issuance of debentures, net	15	**894,983**	497,179
Repayments of debentures	15	**(575,000)**	(300,000)
Net advances (repayments) of mortgages payable	15	**76,169**	(148,759)
Net advances (repayments) on construction loans	15	**18,979**	26,308
Net advances (repayments) of credit facility	16	**(260,000)**	260,000
Payment of credit facility extension fee	16	**(677)**	(677)
Cash received on exercise of options	20	**1,156**	2,610
Repurchase of units for unit-based compensation arrangement	17	**(3,479)**	(3,449)
Distributions paid on Exchangeable Units		**—**	(122,035)
Distributions paid on Trust Units		**(245,070)**	(242,480)
Cash Flows used in Financing Activities		**(92,939)**	(31,303)
Change in cash and cash equivalents		**187,688**	(19,568)
Cash and cash equivalents, beginning of year		**64,736**	84,304
Cash and Cash Equivalents, End of Year	30(c)	**$ 252,424**	$ 64,736

2024 Q3 Cash Flow Statement (in thousands of CAD)

Choice Properties

(in thousands of Canadian dollars)	Note	Three Months: **September 30, 2024**	Three Months: September 30, 2023	Nine Months: **September 30, 2024**	Nine Months: September 30, 2023
Operating Activities					
Net (loss) income		**$ (662,989)**	$ 435,903	**$ (7,479)**	$ 1,242,375
Net interest expense and other financing charges	17	**150,410**	142,292	**438,898**	422,774
Interest paid		**(86,291)**	(79,745)	**(226,193)**	(207,398)
Interest income		**(17,312)**	(11,147)	**(42,346)**	(31,443)
Interest received		**15,012**	8,941	**35,186**	23,119
Share of income from equity accounted joint ventures		**(5,230)**	(4,823)	**(11,318)**	(31,000)
Distributions from equity accounted joint ventures		**9,519**	15,393	**27,375**	24,326
Additions to residential inventory		**(104)**	(1,510)	**(2,648)**	(7,738)
Direct leasing costs and tenant improvement allowances	5	**(5,185)**	(10,004)	**(12,776)**	(22,717)
Cash paid on vesting of restricted and performance units		**(243)**	(70)	**(2,818)**	(2,741)
Items not affecting cash and other items	19(a)	**771,814**	(332,122)	**366,113**	(915,273)
Net change in non-cash working capital	19(b)	**34,501**	(13,862)	**(79,706)**	(59,979)
Cash Flows from Operating Activities		**203,902**	149,246	**482,288**	434,305

2024 Q3 Cash Flow Statement (in thousands of CAD)

Choice Properties

(in thousands of Canadian dollars)	Note	Three Months **September 30, 2024**	Three Months September 30, 2023	Nine Months **September 30, 2024**	Nine Months September 30, 2023
Investing Activities					
Acquisitions of investment properties	4	**(108,238)**	(7,501)	**(167,609)**	(63,038)
Acquisitions of financial real estate assets	7	**—**	—	**—**	(86,452)
Additions to investment properties	5	**(20,600)**	(49,219)	**(82,799)**	(144,577)
Additions to financial real estate assets	7	**(5)**	(3,062)	**(39)**	(252)
Contributions to equity accounted joint ventures		**(13,677)**	(1,133)	**(38,271)**	(25,855)
Distribution of disposition proceeds from equity accounted joint ventures		**—**	—	**48,479**	—
Return of capital distribution from equity accounted joint ventures		**—**	—	**28,500**	—
Mortgages, loans and notes receivable advances		**(76,704)**	(85,043)	**(259,098)**	(258,320)
Mortgages, loans and notes receivable repayments		**5,854**	15,188	**36,984**	78,424
Proceeds from dispositions	4	**32,900**	1,900	**61,814**	76,692
Cash Flows Used in Investing Activities		**(180,470)**	(128,870)	**(372,039)**	(423,378)

2024 Q3 Cash Flow Statement (in thousands of CAD)

Choice Properties

(in thousands of Canadian dollars)	Note	Three Months September 30, 2024	Three Months September 30, 2023	Nine Months September 30, 2024	Nine Months September 30, 2023
Financing Activities					
Proceeds from issuance of debentures, net	10	**—**	348,038	**496,888**	895,091
Repayments of debentures	10	**(550,000)**	(200,000)	**(750,000)**	(575,000)
Net advances (repayments) of mortgages payable	10	**61,517**	(6,435)	**178,831**	99,245
Net advances (repayments) on construction loans	10	**(19,103)**	14,390	**(25,207)**	10,858
Net repayments of credit facility	11	**—**	(78,675)	**—**	(260,000)
Payment of credit facility extension fee	11	**—**	(600)	**—**	(600)
Cash received on exercise of options		**813**	—	**813**	1,156
Repurchase of units for unit-based compensation arrangement	12	**(18)**	(200)	**(4,004)**	(3,548)
Distributions paid on Trust Units		**(62,296)**	(61,474)	**(186,063)**	(183,597)
Cash Flows (Used in) from Financing Activities		**(569,087)**	15,044	**(288,742)**	(16,395)
Change in cash and cash equivalents		**(545,655)**	35,420	**(178,493)**	(5,468)
Cash and cash equivalents, beginning of period		**619,586**	23,848	**252,424**	64,736
Cash and Cash Equivalents, end of Period	19(c)	**$ 73,931**	$ 59,268	**$ 73,931**	$ 59,268

Analyst Recommendation

The Good

- Comfortable Yield at 5.76%
- Strong FFO and AFFO Growth and payout ratios imply opportunity to grow dividend yields
- Strong development pipeline, with a focus on residential builds in metropolitan regions – further allowing for diversification of tenant pool
- Strong leverage metrics relative to peers

The Bad

- Retail segment (76% of asset mix) experienced poor growth
- Over 50% of revenues generated from Loblaw, and 60% of Choice owned by GWG
- Indications of Loblaw Weakness