

Places People Thrive®

2026
First Quarter
Report



A Purpose-Driven Real Estate Platform

Choice Properties is Canada's largest Real Estate Investment Trust, guided by a clear purpose: to create places where people thrive. This is how we build enduring value. As a national owner, operator, and developer of high-quality commercial and residential real estate, we go beyond managing assets. We create spaces that strengthen how tenants and communities live, work, and connect. Our strategy is grounded in industry leadership across sustainability, community engagement, and social impact, embedded throughout our business. Our core values of Care, Ownership, Respect and Excellence guide our actions and decisions, shaping how we operate, build, and grow.

A Proven Strategy for Long-Term Value Creation

Our financial goals are anchored in capital preservation, generating stable and growing cash flows, and delivering appreciation in net asset value and distributions. These objectives are supported by a proven strategy and a strong, differentiated foundation. We focus on three priorities:



Maintaining a Market-Leading Portfolio

A high-quality national footprint in local markets, strengthened by our strategic partnership with Loblaw¹, Canada's largest retailer.



Sustaining Operational Excellence

A consistent record of operational performance and ESG leadership, delivered by an experienced, engaged, and diverse team.



Delivering on our Development Pipeline

Projects that enhance tenant diversification and support steady short- and long-term growth, backed by an industry-leading balance sheet.

¹ Loblaw Companies Limited ("Loblaw")

⁽¹⁾ See Section 14, "Non-GAAP Financial Measures", of this MD&A

⁽²⁾ To be read in conjunction with the "Forward-Looking Statements" included in the Notes for Readers located on page 9 of this MD&A


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Front cover:
301 Moore Avenue,
Toronto, Ontario

Canada's Leading REIT

Proven performance, positioned for long-term growth

Largest in Canadaⁱ	Unmatched Necessity-Based Portfolio	Strategic Relationship with Canada's Largest Retailer
699 High-quality properties	83% Necessity-based retail portfolio ⁱⁱⁱ	57% Loblaw tenancy ^{iv}
68.5M Across 3 strategic asset classes sq. ft.	37M Grocery-anchored retail portfolio sq. ft.	 Relationship with Loblaw provides a unique competitive advantage
\$17.9B Fair value ⁱⁱ		
One of Canada's Largest Urban Landowners	Industry-Leading Balance Sheet	ESG Leadership
18M+ Development pipeline sq. ft.	BBB (High) DBRS Rating Positive Outlook	Net Zero One of Canada's first entities with targets validated by SBTi By 2050
70+ Sites with potential incremental density	BBB+ S&P Rating	50%+ Women executives (VP+)
7.0x Adjusted Debt to EBITDAFV ⁽¹⁾		

ⁱ Based on total portfolio GLA, number of properties and market capitalization

ⁱⁱ Fair value of investment properties is shown on a proportionate share basis⁽¹⁾

ⁱⁱⁱ Calculated as a % of the retail segment's annualized gross rental revenue on a proportionate share basis⁽¹⁾ as at March 31, 2026 (Section 6)

^{iv} Calculated as a % of total annualized gross rental revenue on a proportionate share basis⁽¹⁾ as at March 31, 2026

Lots of Play: Placemaking in Roncesvalles

In the summer of 2025, Choice Properties brought neighbourhoods to life through Lots of Play, converting several parking lots and sidewalks into dynamic community spaces. In Toronto's Roncesvalles neighbourhood, families gathered for free art, music, dance, and creative play - in partnership with VIBE Arts. These events highlighted how placemaking can turn everyday spaces into unique shared experiences.



Key Performance Indicators

Financial and Operating Performance

Financial Performance

	Q1 2026	Q1 2025	Change
Same-Asset NOI, Cash Basis ⁽¹⁾	\$255.5M	\$248.0M	+3.0%
FFO ⁽¹⁾	\$0.271 /unit	\$0.264 /unit	+2.7%
AFFO ⁽¹⁾	\$0.247 /unit	\$0.249 /unit	-0.8%
Occupancy	98.1%	97.7%	+0.4%

Q1 2026 Debt Metrics

Adjusted Debt ⁽¹⁾	\$7.6B
Adjusted Debt to EBITDAFV ⁽¹⁾	7.0x
Weighted Avg. Term to Maturity ⁱ	6.3 years
Weighted Avg. Interest Rate ⁱ	4.28%
Unencumbered Assets	\$14.0B
Adjusted Debt to Total Assets ⁽¹⁾	40.9%

Visit Section 6, “Leasing Activity”, Section 7.2, “Net Operating Income Summary”, and Section 7.3, “Other Key Performance Indicators”, of our MD&A for more context and details on the trends and significant events affecting the financial condition and results of our operations

ⁱ Weighted average reflects senior unsecured debentures and fixed-rate secured debt



Choice Properties started the year strong, with stable occupancy and robust leasing spreads. Same-Asset NOI and FFO per unit growth reflected this solid operating performance and the continued momentum across our portfolio.

Rael Diamond
President & CEO, Choice Properties



First Quarter

Financial Highlightsⁱ

During the three months ended March 31, 2026

Operating

- **Reported a net loss for the quarter of \$87.2 million**, compared to net loss of \$96.2 million in the prior year period.
- **Reported FFO⁽¹⁾ per unit diluted for the quarter of \$0.271** increased by 2.7% compared to \$0.264 in the prior year period.
 - FFO⁽¹⁾ per unit diluted, excluding lease surrender revenue and the reduction in Allied's distribution, increased by 3.5% compared to the prior year period.
- **AFFO⁽¹⁾ per unit diluted for the quarter was \$0.247**, compared to \$0.249 in the prior year period. The decrease was primarily due to higher maintenance capital spend in the current year.
- **Same-Asset NOI on a cash basis⁽¹⁾ increased by 3.0%** over the prior year period.
- **Retail and Industrial Same-Asset NOI on a cash basis⁽¹⁾ increased by 3.2% and 6.2%, respectively.** Mixed-Use & Residential Same-Asset NOI on a cash basis⁽¹⁾ decreased by 15.4% due to the impact of a property tax incentive recognized in the prior year period. Excluding the mixed-use & residential portfolio, Same-Asset NOI on a cash basis⁽¹⁾ increased by 3.8%.
- **Period end occupancy remained strong at 98.1%**, with Retail at 97.9%, Industrial at 98.6%, and Mixed-Use & Residential at 93.8%ⁱⁱ.
- **Net fair value gain on investment properties in the quarter was \$66.4 million** on a proportionate share basis⁽¹⁾, reflecting adjustments to capitalization rates in the retail portfolio, and favourable leasing assumptions in the retail and industrial portfolios, partially offset by the impact of adjustments to capitalization rates in the mixed-use and residential portfolio.

Investing

- **The Trust completed \$28.5 million of acquisitions in the quarter:**
 - A retail property in Montreal, Quebec for \$13.6 million.
 - A partner's share of a retail property in Edmonton, Alberta for \$14.9 million.
- **The Trust invested \$21.9 million in its development program** during the quarter on a proportionate share basis⁽¹⁾.
- **The Trust transferred \$9.3 million of properties under development to income producing status**, delivering approximately 21,900 square feet of new commercial GLA on a proportionate share basis⁽¹⁾ through retail intensifications
- **Subsequent to quarter end, the Trust entered into an agreement to acquire certain assets of First Capital Real Estate Investment Trust ("FCR")**
 - On April 16, 2026, the Trust announced that it entered into an agreement with FCR and KingSett Capital, on behalf of its investors, (collectively, "KingSett") pursuant to which KingSett and the Trust will acquire FCR in a unit and cash transaction.

Upon closing, which is expected in the second half of 2026 pending customary approvals, the Trust will acquire approximately \$5.0 billion of FCR's high-quality retail assets and KingSett will acquire approximately \$4.4 billion of FCR's assets and all of FCR's issued and outstanding units.

ⁱ Refer to the Notes for Readers located on page 9 of this MD&A for definitions of capitalized terms

ⁱⁱ Occupancy represents retail and office portion of mixed-use properties; residential units are excluded

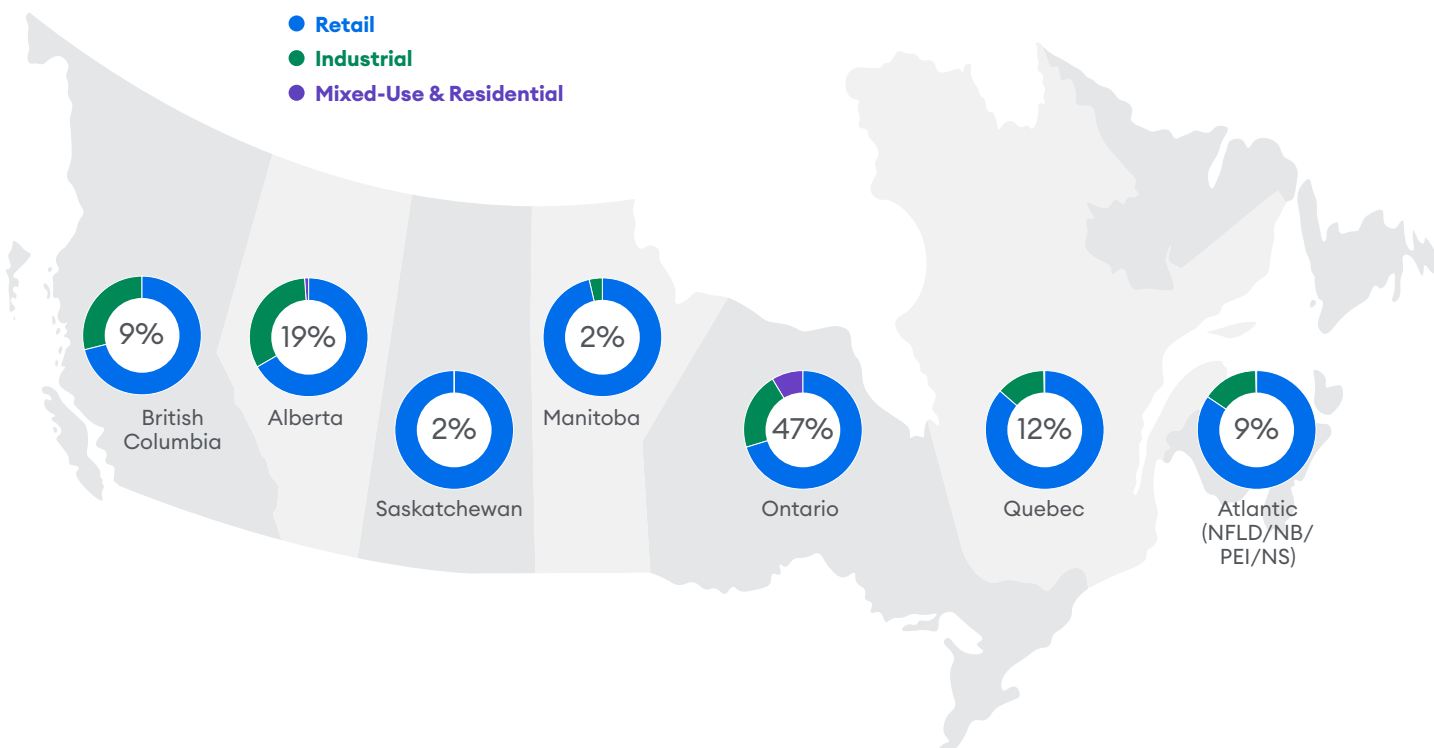
An Integrated Portfolio Built Where Canadians Live and Work

Achieving stable cash flow, resilience, and growth

Our competitive advantage is rooted in the strength of our three strategic asset classes. We combine a predominantly necessity-based, grocery-anchored retail portfolio supported by leading tenants, a flexible and well-located industrial portfolio in key distribution markets, and transit-oriented mixed-use and residential rental properties in Canada's most attractive urban centres.

Income Producing Properties	Properties	Square Feet	Fair Value ⁱ	Occupancy	Properties Under Development
Retail	563	44.5M	\$11.7B	97.9%	39 Projects
Industrial	124	22.2M	\$4.6B	98.6%	18.7M Square Feet
Mixed-Use & Residential	12	1.8M ⁱⁱ	\$0.9B	93.8%	\$0.7B Fair Value ⁱ

Percentage of NOI by Provinceⁱⁱⁱ



ⁱ Fair value of investment properties as at March 31, 2026 shown on a proportionate share basis⁽¹⁾

ⁱⁱ GLA of mixed-use & residential includes 0.7 million sq. ft. associated with Choice Properties' 923 residential units

ⁱⁱⁱ Calculated as a % of total NOI on a proportionate share⁽¹⁾ cash basis for the three months ended March 31, 2026

Purpose in Action

Strong-covenant tenants drive stable, predictable cash flows

Long-Term Leases

Weighted
Average
Lease Term

Loblaw
5.9
Years

Ancillary
5.9
Years

Total
5.9
Years

Top 5 Tenants

% Revenueⁱ

1	Loblaw	57.4%
2	Canadian Tire	1.6%
3	TJX Companies	1.2%
4	Dollarama	1.2%
5	Pet Valu	1.0%

Strong Necessity-Based Retail Anchor Tenants



+64%

of retail revenue from
Loblaw bannersⁱⁱ

Key Tenants:

Loblaws
Shoppers Drug Mart
Real Canadian Superstore
No Frills
Maxi
Fortinos
T&T



+68%

of retail revenue from
grocery and pharmacyⁱⁱ

Key Tenants:

Sobeys
Metro
Save on Foods
Nations Fresh Foods
Costco
Walmart
Rexall



+83%

of retail revenue from
necessity-based retailⁱⁱ

Key Tenants:

Dollarama
Canadian Tire
LCBO
TD
Restaurant Brands International
Pet Valu
Scotiabank
BMO

Resilient Industrial Tenant Base

Top 10 Industrial Tenantsⁱⁱ

- 1 Loblaws
- 2 Amazon
- 3 Canada Cartage
- 4 TEN Canada
- 5 Wonderbrands
- 6 Pet Valu
- 7 NFI IPD
- 8 Uline Canada Corporation
- 9 Kimberly-Clark
- 10 Alberta Gaming, Liquor and Cannabis

35%

Loblaw gross
industrial
revenueⁱⁱ



Choice Eastway Industrial Centre, East Gwillimbury, Ontario

ⁱ Calculated on total annualized gross rental revenue of all segments on a proportionate share basis⁽¹⁾ as at March 31, 2026

ⁱⁱ Calculated on the segment's annualized gross rental revenue on a proportionate share basis⁽¹⁾ as at March 31, 2026 (Section 6)

A Development Pipeline Driving Future Growth

A clear path to sustained value creation

Square Feet ¹	In Planning	Zoned & Ready	Active	Total
Retail	—	0.3M	0.2M >	0.5M
Industrial	—	3.4M	1.1M >	4.5M
Mixed-Use & Residential	7.3M	6.4M	— >	13.7M
Total	7.3M	10.1M	1.3M >	18.7M

¹ At the Trust's share

Retail Growth in Ottawa

4175 Strandherd Drive
Nepean, Ontario

Asset class: Retail
Future Property GLA: 123,000 sq. ft.
Ownership: 50%

Choice Properties is advancing a new retail development in Nepean, one of Ottawa's fastest growing communities. Anchored by No Frills and Shoppers Drug Mart, the site is strategically located near Highway 416 and surrounded by established national retailers and new residential developments. Designed to serve a growing population, the centre will deliver essential retail services, strong visibility, and convenient access, supporting long-term tenant success and reinforcing the area as a key commercial destination.



Environmental, Social and Governance

Bringing tenants and communities together

Choice Properties' commitment to building social, economic, and environmental sustainability is one of the most important ways that we bring our purpose to life. Our ESG strategy is embedded across all aspects of our business, including development, construction, and operations.

Leadership in Sustainability

100 Country Village Road NE
Calgary, Alberta

Asset class: Retail
Property GLA: 191,185 sq.ft.
Intensification GLA: 29,232 sq. ft.

Choice Properties achieved a significant milestone at our Coventry Hills property – the first retail project in the country to earn the Canada Green Building Council's Zero Carbon Building Design certification. Created as a real-world demonstration of low-carbon retail, it incorporates an enhanced building envelope, electrified and high-efficiency mechanical systems, rooftop solar, LED lighting, and low-carbon materials that reduced embodied emissions by approximately 25% versus a typical build.



3rd year

Consecutive inclusion in The Globe and Mail's "Women Lead Here" Benchmark

BOMA Enspire Award Winner

Guelph Line property in Burlington, ON was recognized for outstanding reductions in greenhouse gas emissions



Read our [ESG Report](#) to learn more about our sustainability strategy, initiatives and achievements: choicereit.ca/sustainability.

Management's Discussion and Analysis

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Notes for Readers

Please refer to the Choice Properties Real Estate Investment Trust (“Choice Properties” or the “Trust”) unaudited interim period condensed consolidated financial statements for the three months ended March 31, 2026 and accompanying notes (“Q1 2026 Financial Statements”) when reading this Management’s Discussion and Analysis (“MD&A”) as well as the Trust’s Audited Financial Statements and MD&A for the year ended December 31, 2025. In addition, this MD&A should be read in conjunction with the Trust’s “Forward-Looking Statements” as listed below. Choice Properties’ Q1 2026 Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards” or “GAAP”) and were authorized for issuance by the Board of Trustees (“Board”).

In addition to using performance measures determined in accordance with IFRS Accounting Standards, Choice Properties’ management also measures performance using certain additional non-GAAP measures and provides these measures in this MD&A so that investors may do the same. Such measures do not have any standardized definitions prescribed under GAAP and are, therefore, unlikely to be comparable to similar measures presented by other real estate investment trusts or enterprises. Please refer to Section 14, “Non-GAAP Financial Measures”, for a list of defined non-GAAP financial measures and reconciliations thereof.

This Annual Report, including this MD&A, contains forward-looking statements about Choice Properties’ objectives, outlook, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, opportunities, and legal and regulatory matters. Specific statements with respect to anticipated future results and events can be found in various sections of this MD&A, including but not limited to Section 3, “Investment Properties”, Section 5, “Results of Operations”, Section 6, “Leasing Activity”, Section 7, “Results of Operations – Segment Information”, Section 12, “Environmental, Social and Governance (“ESG”)”, and Section 13, “Outlook”. Forward-looking statements are typically identified by words such as “expect”, “anticipate”, “believe”, “foresee”, “could”, “estimate”, “goal”, “intend”, “plan”, “seek”, “strive”, “will”, “may”, “should”, “aspire”, “pledge”, “aim”, and similar expressions, as they relate to Choice Properties and its management.

Forward-looking statements reflect Choice Properties’ current estimates, beliefs and assumptions, which are based on management’s perception of historic trends, current conditions, outlook, and expected future developments, as well as other factors it believes are appropriate in the circumstances.

Choice Properties’ expectation of operating and financial performance is based on certain assumptions, including assumptions about the Trust’s future growth potential, prospects and opportunities, industry trends, future levels of indebtedness, tax laws, economic conditions and competition. Management’s estimates, beliefs and assumptions are inherently subject to

significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. Choice Properties can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Trust’s actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in Section 11, “Enterprise Risks and Risk Management” of this MD&A and the Trust’s Annual Information Form (“AIF”) for the year ended December 31, 2025. Selected highlights of such risks and uncertainties include:

- changes in economic conditions, including changes in interest rates and inflation rates, tariffs, and supply chain constraints;
- failure by Choice Properties to realize the anticipated benefits associated with its strategic priorities and major initiatives, including failure to develop quality assets and effectively manage development, redevelopment, and renovation initiatives and the timelines and costs related to such initiatives;
- failure to adapt to environmental and social risks, including failure to execute against the Trust’s environmental and social equity initiatives, and in the context of the Trust’s environmental, social and governance disclosures, additional factors such as the availability, accessibility and sustainability of comprehensive and high-quality data, and the development of applicable national and international laws, policies and regulations;
- the inability of Choice Properties’ information technology infrastructure to support the requirements of Choice Properties’ business, failure by Choice Properties to identify and respond to business disruptions, or the occurrence of any internal or external security breaches, denial of service attacks, viruses, worms or other known or unknown cyber security or data breaches;
- failure by Choice Properties to anticipate, identify and react to demographic changes, including shifting consumer preferences toward digital commerce, which may result in a decrease in demand for physical space by retail tenants;
- failure by Choice Properties to manage effectively and efficiently its property and leasing management processes; and
- the inability of Choice Properties to make acquisitions and dispositions of properties in accordance with its near and long-term strategies.

This is not an exhaustive list of the factors that may affect Choice Properties’ forward-looking statements. Other risks and uncertainties not presently known to Choice Properties could also cause actual results or events to differ materially from those expressed in its forward-

looking statements.

Choice Properties’ financial results are impacted by adjustments to the fair value of the Class B LP units of Choice Properties Limited Partnership (the “Exchangeable Units”), unit-based compensation, the exchangeable Class B limited partnership units of Allied Properties Exchangeable Limited Partnership (“Class B Units”), a subsidiary of Allied Properties Real Estate Investment Trust (“Allied”) and investment properties. Exchangeable Units and unit-based compensation liabilities are recorded at their fair value based on the market trading price of the Trust Units, which results in a negative impact to the financial results when the Trust Unit price rises and a positive impact when the Trust Unit price declines. The publicly traded units of Allied (“Allied Units”) are recorded at fair value based on market trading prices of the publicly traded units of Allied. Investment properties are recorded at fair value based on valuations performed by the Trust’s internal valuations team. These adjustments to fair value impact certain of the GAAP reported figures of the Trust, including net income.

Additional risks and uncertainties are discussed in Choice Properties’ materials filed with the Canadian securities regulatory authorities from time to time, including without limitation, the Trust’s AIF for the year ended December 31, 2025. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Choice Properties’ expectations only as of the date of this MD&A. Except as required by applicable law, Choice Properties does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Choice Properties is an unincorporated, open ended mutual fund trust governed by the laws of the Province of Ontario and established pursuant to an amended and restated declaration of trust dated April 30, 2021, as may be amended, supplemented or restated from time to time (the “Declaration of Trust”). Choice Properties’ Trust Units (“Trust Units” or “Units”) are listed on the Toronto Stock Exchange (“TSX”) and are traded under the symbol “CHP.UN”.

George Weston Limited (“GWL”) is the controlling unitholder of the Trust and the controlling shareholder of Loblaw Companies Limited (“Loblaw”), the Trust’s largest tenant. As of March 31, 2026, GWL held a 61.7% effective March in Choice Properties. Choice Properties’ ultimate parent is Wittington Investments, Limited (“Wittington”), the controlling shareholder of GWL.

Additional information about Choice Properties has been filed electronically with the Canadian securities regulatory authorities through the System for Electronic Document Analysis and Retrieval (“SEDAR+”) and is available online at www.sedarplus.ca.

The information in this MD&A is current to April 29, 2026, unless otherwise noted.

All amounts in this MD&A are reported in thousands of Canadian dollars, except where otherwise noted.

1. KEY PERFORMANCE INDICATORS AND SELECTED FINANCIAL INFORMATION

Choice Properties has identified key financial and operating performance indicators that were derived from, and should be read in conjunction with, the unaudited interim period condensed consolidated financial statements of the Trust for the three months ended March 31, 2026 and 2025. The analysis of the indicators focuses on trends and significant events affecting the financial condition and results of operations of the Trust.

As at or for the three months ended March 31 (\$ thousands except where otherwise indicated)	2026	2025
Number of income producing properties	699	704
GLA (in millions of square feet) ⁽ⁱⁱ⁾	68.5	67.2
Occupancy ^{* (i)}	98.1 %	97.7 %
Total assets (GAAP)	\$ 17,724,833	\$ 17,291,239
Total liabilities (GAAP)	\$ 13,290,265	\$ 12,553,011
Rental revenue (GAAP)	\$ 361,192	\$ 346,912
Net loss	\$ (87,194)	\$ (96,233)
Net loss per unit diluted	\$ (0.120)	\$ (0.133)
FFO ⁽ⁱ⁾ per unit diluted*	\$ 0.271	\$ 0.264
FFO ⁽ⁱ⁾ payout ratio*	71.4 %	72.3 %
AFFO ⁽ⁱ⁾ per unit diluted*	\$ 0.247	\$ 0.249
AFFO ⁽ⁱ⁾ payout ratio*	78.2 %	76.6 %
Distribution declared per unit	\$ 0.193	\$ 0.191
Net Asset Value ("NAV") ⁽ⁱ⁾ per unit	\$ 14.53	\$ 14.17
Weighted average number of units outstanding – diluted ⁽ⁱⁱⁱ⁾	723,810,797	723,770,677
Adjusted debt to total assets ^{(i)(iv)*}	40.9 %	40.6 %
Debt service coverage ^{(i)(iv)}	3.0x	3.0x
Adjusted debt to EBITDAFV ^{(i)(iv)(v)*}	7.0x	7.0x
Indebtedness – weighted average term to maturity ^{* (vi)}	6.3 years	6.4 years
Indebtedness – weighted average interest rate ^{* (vi)}	4.28 %	4.23 %

* Denotes a key performance indicator

- (i) Includes 3,357,000 sq. ft. that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases (March 31, 2025 - 2,774,000 sq. ft.).
- (ii) GLA includes 0.7 million sq. ft. associated with Choice Properties' 923 residential units.
- (iii) Includes Trust Units and Exchangeable Units.
- (iv) Debt ratios exclude Exchangeable Units, see Section 4, "Liquidity and Capital Resources". The ratios are non-GAAP financial measures calculated based on the Trust Indentures, as supplemented.
- (v) Adjusted debt to EBITDAFV, net of cash⁽ⁱ⁾ was 6.9x as at March 31, 2026 and 6.9x as at March 31, 2025.
- (vi) Reflects only senior unsecured debentures and fixed rate mortgages.

2. BALANCE SHEET

The following table reconciles Choice Properties' balance sheet on a GAAP basis to a proportionate share basis⁽¹⁾ as at the dates indicated:

(\$ thousands)	As at March 31, 2026			As at December 31, 2025		
	GAAP Basis	Adjustment to Proportionate Share Basis ⁽¹⁾	Proportionate Share Basis ⁽¹⁾	GAAP Basis	Adjustment to Proportionate Share Basis ⁽¹⁾	Proportionate Share Basis ⁽¹⁾
Assets						
Investment properties	\$ 15,850,000	\$ 2,052,000	\$ 17,902,000	\$ 15,758,000	\$ 2,012,000	\$ 17,770,000
Equity accounted joint ventures	994,790	(994,790)	—	961,678	(961,678)	—
Financial real estate assets	202,955	(202,955)	—	202,079	(202,079)	—
Residential development inventory	2,095	—	2,095	2,095	—	2,095
Mortgages, loans and notes receivable	403,905	(36,459)	367,446	645,432	(35,289)	610,143
Investment in real estate securities	108,408	—	108,408	157,888	—	157,888
Intangible assets	11,714	—	11,714	11,964	—	11,964
Accounts receivable and other assets	116,207	24,811	141,018	102,830	17,488	120,318
Cash and cash equivalents	34,759	87,119	121,878	71,180	58,819	129,999
Total Assets	\$ 17,724,833	\$ 929,726	\$ 18,654,559	\$ 17,913,146	\$ 889,261	\$ 18,802,407
Liabilities and Equity						
Long term debt	\$ 6,788,389	\$ 806,963	\$ 7,595,352	\$ 6,804,960	\$ 804,884	\$ 7,609,844
Credit facility	28,562	—	28,562	—	—	—
Exchangeable Units	6,079,281	—	6,079,281	5,861,598	—	5,861,598
Trade payables and other liabilities	394,033	122,763	516,796	661,779	84,377	746,156
Total Liabilities	13,290,265	929,726	14,219,991	13,328,337	889,261	14,217,598
Equity						
Unitholders' equity	4,434,568	—	4,434,568	4,584,809	—	4,584,809
Total Equity	4,434,568	—	4,434,568	4,584,809	—	4,584,809
Total Liabilities and Equity	\$ 17,724,833	\$ 929,726	\$ 18,654,559	\$ 17,913,146	\$ 889,261	\$ 18,802,407

Balance Sheet Analysis (GAAP Basis)

Line Item	\$ Change	Variance Commentary
Investment properties \$	92,000	The increase was primarily due to a favourable fair value adjustment of \$79.0 million, acquisitions of \$28.5 million, and capital and leasing expenditures of \$23.0 million, partially offset by a \$37.4 million transfer to equity accounted joint ventures.
Equity accounted joint ventures	33,112	The increase was primarily due to a \$37.4 million transfer from investment properties, partially offset by a net distributions received from joint ventures.
Mortgages, loans and notes receivable	(241,527)	The decrease was primarily due to the repayment of GWL's prior year outstanding notes receivable balance of \$303.8 million and net mortgages and loans receivable repayments of \$14.0 million, partially offset by \$76.2 million of notes receivable advanced to GWL in the current period.
Investment in real estate securities	(49,480)	The decrease was due to a fair value loss of \$49.5 million resulting from the decrease in the price of Allied's publicly traded units.
Working capital, cash and cash equivalents	244,702	The net increase was primarily due to the reduction in the Exchangeable Units distribution payable to GWL upon settlement against prior year's notes receivable balance and net mortgages and loans receivable repayments, partially offset by the Exchangeable Unit distributions deferred in the current year.
Long term debt and Credit Facility	11,991	The increase was primarily due to draws of \$30.0 million on the Trust's credit facility, partially offset by \$17.6 million repayments of mortgages payable.
Exchangeable Units	217,683	As this liability is measured at fair value, the change was due to the increase in the Trust's unit price in the quarter.
Unitholders' equity	(150,241)	The decrease was primarily due to the distributions to Unitholders and the net loss recognized in the period.

3. INVESTMENT PROPERTIES

To expand the portfolio and participate in development opportunities, Choice Properties owns varying interests in real estate entities that hold investment properties. Under GAAP, many of these interests are recorded as equity accounted joint ventures and, as such, the Trust's share of the investment properties owned by these entities is presented on the balance sheet as a summarized value, not as part of the total investment properties. In addition, the Trust also has financial real estate assets which are not included with investment properties as prepared under GAAP.

The following continuity schedule presents Choice Properties' investment properties on a GAAP basis and inclusive of its proportionate share ownership in equity accounted joint ventures and financial real estate assets for the three months ended March 31, 2026:

For the three months ended March 31, 2026 (\$ thousands)	Income Producing Properties			Properties Under Development			Total Investment Properties	
	GAAP Basis	Adjustment to Proportionate Share Basis ⁽ⁱ⁾	Proportionate Share Basis ⁽ⁱ⁾	GAAP Basis	Adjustment to Proportionate Share Basis ⁽ⁱ⁾	Proportionate Share Basis ⁽ⁱ⁾	GAAP Basis	Proportionate Share Basis ⁽ⁱ⁾
Balance, beginning of period	\$ 15,530,000	\$ 1,508,000	\$ 17,038,000	\$ 228,000	\$ 504,000	\$ 732,000	\$ 15,758,000	\$ 17,770,000
Acquisitions of investment properties ⁽ⁱⁱ⁾	28,499	—	28,499	—	—	—	28,499	28,499
Capital expenditures								
Development capital ⁽ⁱⁱⁱ⁾	41	4,723	4,764	11,661	3,971	15,632	11,702	20,396
Building improvements	—	844	844	—	—	—	—	844
Capitalized interest ^(iv)	—	—	—	669	877	1,546	669	1,546
Property capital	5,418	399	5,817	—	—	—	5,418	5,817
Direct leasing costs	1,345	147	1,492	—	—	—	1,345	1,492
Tenant improvement allowances	3,914	395	4,309	—	—	—	3,914	4,309
Amortization of straight-line rent	(1,104)	3,773	2,669	—	—	—	(1,104)	2,669
Transfer to equity accounted joint ventures	—	—	—	(37,446)	37,446	—	(37,446)	—
Transfers from properties under development	9,285	—	9,285	(9,285)	—	(9,285)	—	—
Adjustment to fair value of investment properties	80,602	(19,281)	61,321	(1,599)	6,706	5,107	79,003	66,428
Balance, as at March 31, 2026	\$ 15,658,000	\$ 1,499,000	\$ 17,157,000	\$ 192,000	\$ 553,000	\$ 745,000	\$ 15,850,000	\$ 17,902,000

(i) Includes acquisition costs.

(ii) Development capital for income producing properties represents development expenditure after the transfer of a project.

(iii) Development capital includes \$609 of site intensification payments made to Loblaw for the three months ended March 31, 2026.

(iv) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.28% for the three months ended March 31, 2026.

Included in certain investment properties acquired from Loblaw is excess land with development potential. Choice Properties will compensate Loblaw, over time, with intensification payments determined by a site intensification payment grid as outlined in the Strategic Alliance Agreement (see Section 9, "Related Party Transactions"), should Choice Properties pursue activity resulting in the intensification of the excess land. The fair value of this excess land has been recorded in the condensed consolidated financial statements.

On January 29, 2026, Wittington acquired the 50% ownership interest in the Grenville & Grosvenor development project from the Trust's co-owner. Following this transaction, Wittington and the Trust each hold a 50% ownership interest in a limited partnership that owns the development property. As a result of the transaction, the Trust derecognized its \$37.4 million interest in the property and has recognized it as an investment in an equity accounted joint venture.

3.1 Valuation Method

Investment properties are measured at fair value primarily determined using the discounted cash flow method. Under this methodology, discount rates are applied to the projected annual operating cash flows, generally over a minimum term of ten years, including a terminal value based on a capitalization rate applied to the estimated NOI⁽¹⁾ in the terminal year. The fair value of investment properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. Overall capitalization rates are applied when undertaking the Direct Capitalization method of the Income Approach. This methodology applies the overall capitalization rate to a future estimated stabilized NOI. Currently, this method is primarily applied to value residential assets and certain ground leases.

The portfolio is internally valued with external appraisals performed each quarter for a portion of the portfolio. The majority of the properties will be subject to an external appraisal at least once over a four-year period. When an external valuation is obtained, the internal valuation team assesses all major inputs used by the independent valuers in preparing their valuation reports and holds discussions with the independent valuers on the reasonableness of their assumptions. Where warranted, adjustments will be made to the internal valuations to reflect the assumptions contained in the external valuations. The Trust will record the internal value in its consolidated financial statements.

Valuations are most sensitive to changes in capitalization rates. The terminal capitalization rates and discount rates are the most relevant to the portfolio, under the application of the discounted cash flow method. The weighted average valuation metrics for the Trust's investment properties (including financial real estate assets and properties held within equity accounted joint ventures) are listed below by asset class:

As at March 31, 2026	Retail	Industrial	Mixed-Use & Residential	Total Investment Properties
Discount rate	7.24%	6.73%	6.14%	7.05%
Terminal capitalization rate	6.49%	5.90%	5.37%	6.28%
Overall capitalization rate	6.26%	5.58%	5.17%	6.02%
As at December 31, 2025	Retail	Industrial	Mixed-Use & Residential	Total Investment Properties
Discount rate	7.26%	6.73%	6.08%	7.06%
Terminal capitalization rate	6.51%	5.90%	5.32%	6.29%
Overall capitalization rate	6.28%	5.58%	5.11%	6.04%

Valuation Commentary

For the three months ended March 31, 2026, the Trust recorded a favourable adjustment to the value of investment properties of \$79.0 million on a GAAP basis and a favourable adjustment of \$66.4 million on a proportionate share basis⁽¹⁾. The fair value gain recognized in the three months reflected adjustments to capitalization rates in the retail portfolio, and favourable leasing assumptions in the retail and industrial portfolios, partially offset by the impact of adjustments to capitalization rates in the mixed-use and residential portfolio.

3.2 Investment Property and Other Transactions

Acquisition of Investment Properties

The following table summarizes the investment properties acquired in the three months ended March 31, 2026:

(\$ thousands except where otherwise indicated)

Property / Location	Date of Acquisition	Segment	Ownership Interest Acquired	GLA (square feet)	Purchase Price incl. Related Costs	Consideration
						Cash
Investment properties						
Acquisition from third parties						
6405 Sherbrooke St. W, Montreal, QC	Jan 7	Retail	100%	19,918	13,609	13,609
Southpoint Shopping Centre, Edmonton, AB	Jan 15	Retail	50%	40,829	14,890	14,890
Total acquisitions of investment properties				60,747	\$ 28,499	\$ 28,499

3.3 Completed Developments

For the three months ended March 31, 2026, Choice Properties completed a total of \$6.8 million in development projects delivering 21,900 square feet of retail space (including 4,900 square feet associated with ground leases) with a total weighted average yield of 8.9%. From these developments, the Trust generated a total gain in fair value of \$2.5 million during the development period.

The Trust delivered two retail intensifications consisting of one Shoppers Drug Mart store and one ground lease.

The Trust discloses the expected stabilized yield⁽²⁾ for each of its completed projects and projects under active development. Expected stabilized yield is calculated by dividing the expected stabilized net rental income for each development by the estimated total project costs. Stabilized net rental income is based on contracted rental rates on leased units, and market rental rates on non-leased units which are based on the Trust's market knowledge and, where applicable, supported by external market studies. Estimated project costs include land costs, soft and hard construction costs, development and construction management fees, tenant allowances and inducements, capitalized financing costs, and other carrying costs.

For the three months ended March 31, 2026, Choice Properties transferred the following from properties under development to income producing properties as presented on a proportionate share basis⁽¹⁾:

(\$ thousands except where otherwise indicated)

Project / Location ⁽ⁱ⁾	Completion Date	Ownership %	Transferred GFA/GLA ⁽ⁱ⁾ (square feet)	Investment ⁽ⁱⁱ⁾			Expected stabilized yield ^{(2) (iii)}
				Costs Incurred at substantial completion	Expected costs to complete ⁽²⁾	Expected total costs ⁽²⁾	
Commercial							
Retail							
4270 Innes Rd., Ottawa, ON ^(iv)	Q1 2026	100 %	4,900	272	—	272	42.3 % ^(v)
680 O'Brien Rd., Renfrew, ON	Q1 2026	100 %	17,000	6,534	15	6,549	7.5 %
Total transferred properties at cost			21,900	\$ 6,806	\$ 15	\$ 6,821	8.9 %
Total transferred properties at fair value				\$ 9,285	\$ 15	\$ 9,300	

(i) Choice Properties's share.

(ii) Compiled on a non-GAAP proportionate share basis⁽¹⁾. Investment to-date was compiled on a cash basis, excluding adjustments to fair value of on-going projects.

(iii) Unless otherwise noted, there were no material changes in previously reported expected stabilized yield.

(iv) This development includes a ground lease.

(v) Expected stabilized yield for this development has decreased due to higher costs.

3.4 Development Activities

Development initiatives are a key component of Choice Properties' business model, providing the Trust with an opportunity to add high quality real estate at a reasonable cost and drive net asset value appreciation over time. The Trust has a mix of active development projects ranging in size, scale and complexity, including retail intensification projects, industrial development, and rental residential projects located in urban markets with a focus on transit accessibility. Choice Properties continues to drive long-term growth and value creation through the development of commercial and residential projects and has a significant long-term pipeline of potential mixed-use projects. The Trust views its development activities through the stages of the development lifecycle, including the process of potential site identification, planning and rezoning, construction, and finally to development completion.

The Trust categorizes the projects within its development pipeline as follows:

Category	Description
Active Development	Projects under construction, or projects which have both the Trust's internal approvals and the necessary approvals and permits from municipal and other authorities required to commence construction within the next six to twelve months.
Development in Planning	
Zoning Approved	Projects that have received full zoning by-law amendment approval.
Zoning Application Submitted	Projects for which re-zoning application has been submitted to change municipality zoning designation and/or increase density.
Zoning Application to be Submitted	Sites for which re-zoning application submissions to the municipality are being actively pursued.
Future Development	Sites that have been identified as medium to long term development opportunities across retail, industrial, mixed-use and residential uses. These sites include currently identified, early stage opportunities and do not capture the full range of potential future development opportunities that may exist across the portfolio.

Choice Properties' development program as at March 31, 2026 is summarized below:

(\$ thousands except where otherwise indicated)		Estimated GFA/GLA ⁽ⁱ⁾ (square feet)			Investment ⁽ⁱⁱ⁾		
Project Type	Estimated number of units ⁽ⁱ⁾	Commercial (GLA)	Residential (GFA)	Total	To-date	Estimated costs to completion ⁽²⁾	Estimated total ⁽²⁾
Active Developments ⁽ⁱⁱⁱ⁾	—	1,330,000	—	1,330,000	\$ 123,803	\$ 250,371	\$ 374,174
Developments in Planning							
Zoning Approved	7,414	4,180,000	5,900,000	10,080,000	360,200		
Zoning Applications Submitted	9,352	371,000	6,951,000	7,322,000	85,408		
Zoning Applications to be Submitted	—	—	—	—	—		
Future Developments	—	430,000	—	430,000	47,075		
Total development at cost	16,766	6,311,000	12,851,000	19,162,000	\$ 616,486	\$ 250,371	\$ 374,174
Total properties under development at fair value					\$ 745,000		

(i) Choice Properties' share.

(ii) Compiled on a non-GAAP proportionate share basis⁽¹⁾. Investment to-date was compiled on a cash basis, excluding adjustments to fair value of on-going projects unless otherwise noted.

(iii) Active developments includes 66,000 square feet of commercial GLA associated with ground leases.

3.5 Properties Under Active Development

As at March 31, 2026, the Trust has 13 active developments comprised of 11 retail and two industrial. Upon completion, the projects under active development are expected to deliver a total of 1,330,000 square feet of commercial space (including 66,000 square feet associated with ground leases). The Trust has invested a total of \$123.8 million to date and is expected to invest an additional \$250.4 million over the next 12-24 months to complete these projects⁽²⁾.

The following table details the Trust's retail projects under active development on a proportionate share basis⁽¹⁾ as of March 31, 2026:

(\$ thousands except where otherwise indicated)		Estimated GLA ⁽ⁱ⁾	Investment ⁽ⁱⁱ⁾				
Project / Location ^{(iii)(iv)}	Ownership %	Commercial (GLA)	To-date	Estimated costs to completion ⁽²⁾	Estimated total	Expected stabilized yield ^{(2)(v)}	
Retail							
1	1048 Midland Ave., Kingston, ON ^(vi)	100 %	65,000	\$ 111	\$ 1,999	\$ 2,110	27.25%-27.75%
2	3850 Cambrian Rd. - Building A, Ottawa, ON	100 %	17,000	4,100	6,123	10,223	6.00%-6.50%
3	550 Kenaston Blvd., Winnipeg, MB ^(vi)	50 %	1,000	5	291	296	18.50%-19.00%
H1 2026 expected retail development transfers			83,000	4,216	8,413	12,629	10.00%-10.50%
4	3850 Cambrian Rd. - Buildings B, C, D, Ottawa, ON	100 %	20,000	5,959	8,897	14,856	5.50%-6.00%
5	657 John St. N., Aylmer, ON	100 %	17,000	185	7,656	7,841	7.25%-7.75%
6	101 Second Line, Shelburne, ON	100 %	17,000	924	7,694	8,618	6.25%-6.75%
7	13311 Loyalist Parkway, Picton, ON	100 %	17,000	1,229	7,279	8,508	7.25%-7.75%
8	5251 Country Hills Blvd. NW, Calgary, AB	100 %	17,000	92	7,270	7,362	5.75%-6.25%
9	131 Howland Dr., Huntsville, ON	100 %	17,000	181	7,484	7,665	7.00%-7.50%
H2 2026 expected retail development transfers			105,000	8,570	46,280	54,850	6.25%-6.75%
10	1045 Paisley Rd., Guelph, ON	100 %	17,000	80	7,849	7,929	7.25%-7.75%
11	1641 & 1675 Jane St., North York, ON	100 %	17,000	91	9,890	9,981	5.00%-5.50%
H1 2027 expected retail development transfers			34,000	171	17,739	17,910	6.00%-6.50%
Subtotal active retail development			222,000	12,957	72,432	85,389	6.75%-7.25%
Industrial							
1	Choice Caledon Business Park - Building H1, Caledon, ON ^{(vii)(viii)}	85 %	267,000	16,666	55,545	72,211	6.50%-7.00%
2	Choice Caledon Business Park - Building D, Caledon, ON ^{(vii)(ix)}	85 %	841,000	94,180	122,394	216,574	5.75%-6.25%
H2 2027 expected industrial development transfers			1,108,000	110,846	177,939	288,785	6.00%-6.50%
Subtotal active industrial development			1,108,000	110,846	177,939	288,785	6.00%-6.50%
Total active developments			1,330,000	\$ 123,803	\$ 250,371	\$ 374,174	6.25%-6.75%

(i) Choice Properties' share.

(ii) Compiled on a non-GAAP proportionate share basis⁽¹⁾. Investment to-date was compiled on a cash basis, excluding adjustments to fair value of on-going projects.

(iii) H1 represents the first six months of the year. H2 represents the last six months of the year.

(iv) Unless otherwise noted, the development project is fully leased.

(v) Unless otherwise noted, there were no material changes in previously reported expected stabilized yields.

(vi) This development includes a ground lease.

(vii) Development project with phased completion. Reported expected stabilized yield may vary as phases are completed or as future phases are added to the development.

(viii) Development project represents 33% of total building GLA being constructed and is not leased.

(ix) Development project is not leased.

3.6 Development in Planning

Beyond the projects under active development, Choice Properties has a substantial pipeline of larger, more complex mixed-use developments and land held for future commercial development in various stages of planning, which collectively are expected to drive meaningful net asset value growth in the future. The Trust continues to advance the rezoning status for several mixed-use sites currently in different stages of the rezoning and planning process.

As of March 31, 2026, the Trust has identified 26 sites with potential for future development. This includes 12 opportunities totalling 322,000 square feet at existing retail sites, two industrial sites totalling 3,373,000 square feet, and 12 residential and mixed-use projects totalling 13,707,000 square feet and 16,766 residential units (at the Trust's share). The development plan for each property is subject to completion of the Trust's full review of each opportunity. The expected project scope may change over time or the Trust may decide not to proceed with that development upon completion of full due diligence. To date, the Trust has invested a total of \$445.6 million on land acquisition and initial development and planning costs at these sites.

The following table details the Trust's projects in planning by zoning status:

(\$ thousands except where otherwise indicated)			Estimated GFA/GLA ⁽ⁱ⁾⁽ⁱⁱ⁾ (000s square feet)			Investment to-date ⁽ⁱ⁾⁽ⁱⁱⁱ⁾
			Commercial (GLA)	Residential (GFA)	Total	
Project / Location	Ownership %	Estimated number of units ⁽ⁱ⁾				
Development in Planning						
Zoning approved						
Retail						
12 sites across Canada	50%-100%	—	322	—	322	\$ 36,508
Subtotal retail zoning approved		—	322	—	322	36,508
Industrial						
Choice Caledon Business Park - Remaining Phases, Caledon, ON	85 %	—	2,737	—	2,737	180,984
Choice Eastway Industrial Centre - Phase 2, East Gwillimbury, ON	75 %	—	636	—	636	35,189
Subtotal industrial zoning approved		—	3,373	—	3,373	216,173
Mixed-use & residential						
Bovaird Dr. W, Brampton, ON	50 %	1,460	18	1,074	1,092	9,537
Carlaw Ave., Toronto, ON	100 %	1,080	84	993	1,077	8,049
Golden Mile, Toronto, ON	100 %	3,597	323	2,907	3,230	23,366
Grenville & Grosvenor, Toronto, ON	50 %	385	17	320	337	41,799
Parkway Forest Dr., Toronto, ON	50 %	191	—	120	120	3,136
Sheppard Ave. W, Toronto, ON	50 %	100	5	64	69	7,030
Woodbine Ave., Toronto, ON	100 %	601	38	422	460	14,602
Subtotal mixed-use & residential zoning approved		7,414	485	5,900	6,385	107,519
Subtotal zoning approved		7,414	4,180	5,900	10,080	360,200
Zoning applications submitted						
Broadview Ave., Toronto, ON	100 %	503	23	409	432	5,234
Dundas St. W, Toronto, ON	100 %	1,923	178	1,477	1,655	48,922
North Rd., Coquitlam, BC	100 %	2,470	110	1,765	1,875	9,148
Photography Dr., Toronto, ON	100 %	2,356	50	2,010	2,060	6,078
Warden Ave., Toronto, ON	100 %	2,100	10	1,290	1,300	16,026
Subtotal mixed-use & residential zoning applications submitted		9,352	371	6,951	7,322	85,408
Total development in planning		16,766	4,551	12,851	17,402	\$ 445,608

(i) Choice Properties' share.

(ii) Estimated GFA and GLA are based on current development plans, and final development square footage may differ. For projects in planning, GFA and GLA are estimate, and may differ as the projects complete the rezoning and entitlement process.

(iii) Investment to-date is comprised of incremental land assembly and development planning costs.

Retail Development in Planning

As at March 31, 2026, the Trust currently had 12 retail intensification and greenfield opportunities classified as zoning approved. Retail intensification is focused on adding at-grade retail density within the existing retail portfolio. Retail greenfield is focused on developing neighbourhood retail centres in well-established communities across Canada. These projects provide the opportunity to add new tenants, further expand the high-quality tenant mix, and provide steady growth to the business. As at March 31, 2026, the Trust has invested \$36.5 million to date on land acquisition and initial development and planning costs.

Industrial Development in Planning

The Trust has obtained zoning approval on two industrial development sites. The Trust's industrial development strategy focuses on delivering modern, logistics-oriented assets in strong urban and gateway markets, supported by disciplined capital deployment and long-term tenant demand. The Trust actively develops high-quality industrial facilities designed to meet evolving supply-chain and distribution needs, with an emphasis on location, functionality, and sustainability. Industrial development remains a meaningful contributor to the Trust's value-creation platform, with 3,373,000 square feet of industrial space in planning that is fully zoned and ready for development. As at March 31, 2026, the Trust has invested \$216.2 million to date on land acquisition and initial development and planning costs.

Mixed-Use & Residential Development in Planning

Mixed-use development represents a key component of Choice Properties' long-term development strategy. The Trust endeavours to create enduring value through high-quality mixed-use assets with a significant residential rental component. Leveraging the Trust's sizeable portfolio in key urban markets, Choice Properties believes there are considerable value creation opportunities through rezoning existing grocery anchored assets into mixed-use sites. The development plan for each project is subject to municipal review and approval which may take several years to realize.

Once zoning and entitlement is obtained, the Trust can create additional value by pursuing ground up development, repositioning existing retail, and maximizing available density for residential and mixed-use development. Choice Properties is working through the zoning and entitlement process for several of its future projects. Commencement of each development will depend on market conditions and project viability.

Mixed-Use & Residential Zoning Applications Approved

Obtaining zoning is a significant milestone in the development lifecycle. Zoning approval allows the Trust to unlock significant land value through the realization of residential density potential. Once zoning is approved, the next phase of the development process is obtaining all necessary permits, which allows the project to proceed to active development with construction commencement. The Trust has completed approvals on three mixed-use and three residential developments in Toronto, Ontario and one residential development in Brampton, Ontario. As at March 31, 2026, the Trust has invested a total of \$107.5 million to date on land acquisition and initial development and planning costs.

Mixed-Use & Residential Zoning Applications Submitted

Choice Properties has submitted zoning applications for five mixed-use developments in Toronto, Ontario and Coquitlam, British Columbia. As at March 31, 2026, the Trust has invested a total of \$85.4 million to date on land acquisition and initial development and planning costs.

3.7 Future Pipeline

Choice Properties' long-term development strategy is to create value through residential and mixed-use development. Beyond the projects that are currently in planning, the Trust has identified more than approximately 70 sites encompassing over 500 acres in its existing portfolio that provide potential for incremental residential and mixed-use density through the intensification of an existing asset. Over 90% of the identified sites are in the greater Toronto, Montreal and Vancouver areas, providing the opportunity to grow the residential platform in Canada's largest cities. Choice Properties is actively reviewing and prioritizing these sites to proceed with the rezoning and entitlement process.

In addition, the Trust has identified approximately 100 additional retail sites totalling over one million square feet of potential future retail development, with several being considered for intensification in the near term. The Trust continues to assess its sites to ascertain further opportunities for intensification.

3.8 Mortgages, Loans and Notes Receivable

As a means to generate acquisition opportunities, Choice Properties has established a program with a group of strong real estate developers whereby Choice Properties provides mezzanine and/or co-owner financing. Such financing activities generally provide Choice Properties with an option or other rights to acquire an interest in the developed income producing property. Mortgages and loans receivable represent amounts advanced under mezzanine loans, joint venture financing, vendor take-back financing and other arrangements.

As at March 31, 2026, the Trust had issued \$291,257 (December 31, 2025 - \$306,377) of secured mortgages to third-party borrowers. These loans have been extended to borrowers who are strategic partners and counterparties of the Trust and are secured by real property assets.

On March 13, 2026, a mortgage receivable totalling \$17,966, inclusive of accrued interest, was repaid in full.

Holders of Exchangeable Units may, in lieu of receiving all or a portion of their distributions, choose to be loaned an amount from Choice Properties Limited Partnership, and to have such distributions made on the first business day following the end of the fiscal year in which such distribution would otherwise have been made. The loans do not bear interest and are due and payable in full on the first business day following the end of the fiscal year during which the loan was made. During the three months ended March 31, 2026, \$76,189 of notes were issued to GWL. In January 2026, notes totalling \$303,766 with respect to the loans issued in the 2025 fiscal year were settled against distributions payable by the Trust to GWL.

As at March 31, 2026 (\$ thousands)	GAAP Basis	Proportionate Share Basis ⁽¹⁾⁽ⁱ⁾	Proportionate Share Basis ⁽¹⁾	
			Weighted average term to maturity (years)	Weighted average interest rate (%)
Mortgages receivable	\$ 327,716	\$ 291,257	0.8	7.63 %
Notes receivable from GWL	76,189	76,189	—	— %
Mortgages and notes receivable	\$ 403,905	\$ 367,446		

(i) Adjusted to eliminate mortgage receivable balances advanced to an equity accounted joint venture at the Trust's share.

As at December 31, 2025 (\$ thousands)	GAAP Basis	Proportionate Share Basis ⁽¹⁾⁽ⁱ⁾	Proportionate Share Basis ⁽¹⁾	
			Weighted average term to maturity (years)	Weighted average interest rate (%)
Mortgages receivable	\$ 341,666	\$ 306,377	1.0	7.70 %
Notes receivable from GWL	303,766	303,766	—	— %
Mortgages, loans and notes receivable	\$ 645,432	\$ 610,143		

(i) Adjusted to eliminate mortgage receivable balances advanced to an equity accounted joint venture at the Trust's share.

3.9 Agreement to Acquire Certain Assets of First Capital Real Estate Investment Trust

On April 16, 2026, the Trust announced that it entered into an agreement with First Capital Real Estate Investment Trust (“FCR”) and KingSett Capital, on behalf of its investors, (collectively, “KingSett”) pursuant to which KingSett and the Trust will acquire FCR in a unit and cash transaction valued at approximately \$9.4 billion, including the assumption of certain debt (the “Transaction”).

Upon closing of the Transaction, the Trust will acquire approximately \$5.0 billion of FCR’s high-quality retail assets and KingSett will acquire approximately \$4.4 billion of FCR’s assets and all of FCR’s issued and outstanding units.

Choice Properties intends to finance the acquisition as follows:

- Issuance of approximately 68.6 million Trust Units to FCR’s unitholders,
- Issuance of approximately \$0.6 billion of Exchangeable or Trust Units to GWL,
- Assumption of \$2.3 billion principal of outstanding unsecured debentures of FCR, and
- Assumption of approximately \$0.4 billion principal of existing mortgages secured by the acquired assets, with the remainder of the transaction financed through the issuance of new debt.

The Transaction, which is expected to close in the second half of 2026, is subject to approval by FCR’s unitholders, regulatory and other customary approvals and closing conditions.

4. LIQUIDITY AND CAPITAL RESOURCES

4.1 Liquidity and Capital Structure

Choice Properties expects to fund its ongoing operations and finance future growth primarily through the use of: (i) existing cash; (ii) cash flows from operations; (iii) short-term financing through the committed credit facility; (iv) the issuance of unsecured debentures and equity (including Exchangeable Units), subject to market conditions; and (v) secured mortgages. Given reasonable access to capital markets, Choice Properties does not foresee any impediments in obtaining financing to satisfy its short-term and long-term financial obligations, including its capital investment commitments⁽²⁾.

(\$ thousands)	As at		Change \$
	March 31, 2026	December 31, 2025	
Cash and cash equivalents - proportionate share basis ⁽¹⁾	\$ 121,878	\$ 129,999	\$ (8,121)
Unused portion of the credit facility	1,470,000	1,500,000	(30,000)
Liquidity	\$ 1,591,878	\$ 1,629,999	\$ (38,121)
Unencumbered assets - proportionate share basis⁽¹⁾	\$ 13,990,000	\$ 13,820,000	\$ 170,000

Base Shelf Prospectus

On June 20, 2025, Choice Properties renewed a Short Form Base Shelf Prospectus allowing for the issuance of Units and debt securities over a 25-month period.

4.2 Major Cash Flow Components

For the periods ended March 31 (\$ thousands)	Three Months		
	2026	2025	Change \$
Cash and cash equivalents, beginning of period - GAAP basis	\$ 71,180	\$ 63,388	\$ 7,792
Cash flows from operating activities	126,052	139,361	(13,309)
Cash flows (used in) from investing activities	(111,763)	25,769	(137,532)
Cash flows used in financing activities	(50,710)	(123,462)	72,752
Cash and cash equivalents, end of period - GAAP basis	\$ 34,759	\$ 105,056	\$ (70,297)

Three Months

During the three months ended, cash was primarily generated from operations and net advances on the credit facility, partially offset by net mortgages, loans and notes receivable advances, cash distributions paid on Trust Units, acquisitions, capital expenditures, and repayments of mortgages payable.

Cash flows from operating activities are partially used to fund ongoing operations and expenditures for leasing capital and property capital⁽²⁾.

4.3 Adjusted Cash Flow from Operations (“ACFO”)

Adjusted Cash Flow from Operations⁽¹⁾ excludes most of the short-term fluctuations in non-cash working capital, such as property tax instalments, and the timing of semi-annual debenture instalments, although some fluctuations between quarters for operational cash flows still exist. ACFO⁽¹⁾ also adjusts cash flows from operating activities for the working capital requirements related to operating capital expenditures that maintain productive capacity of the investment properties, which adds volatility to the values due to the seasonality of capital projects. Management includes this non-GAAP measure in its assessment of cash flows available for distributions. Refer to Section 14.4, “Adjusted Cash Flow from Operations”, for a reconciliation of ACFO⁽¹⁾ to cash flows from operating activities, as determined in accordance with GAAP.

The table below summarizes the ACFO⁽¹⁾ metrics:

For the periods ended March 31 (\$ thousands)	Three Months		
	2026	2025	Change \$
Adjusted cash flow from operations ⁽¹⁾	\$ 180,706	\$ 176,180	\$ 4,526
Cash distributions declared	139,937	138,121	1,816
Cash retained after cash distributions	\$ 40,769	\$ 38,059	\$ 2,710
ACFO ⁽¹⁾ payout ratio	77.4 %	78.4 %	(1.0)%

Three Months

ACFO⁽¹⁾ increased for the three months compared to the prior year period, primarily due to higher net operating income and favourable changes in non-cash working capital, partially offset by higher leasing and maintenance spend and lower investment income received due to a reduction in Allied’s distribution. ACFO may fluctuate each quarter due to the timing of maintenance capital spend during the year.

4.4 Distribution Excess / Shortfall Analysis

The tables below summarize the excess or shortfall of certain GAAP and non-GAAP measures over cash distributions declared:

For the periods ended March 31 (\$ thousands)	Three Months		
	2026	2025	Change \$
Cash flows from operating activities	\$ 126,052	\$ 139,361	\$ (13,309)
Less: Cash distributions declared	(139,937)	(138,121)	(1,816)
(Shortfall) Excess of cash flows provided by operating activities over cash distributions declared	\$ (13,885)	\$ 1,240	\$ (15,125)

Choice Properties' shortfall of cash flows provided by operating activities over cash distributions declared for the three months ended March 31, 2026 was primarily due to the timing of the semi-annual interest payments on the senior unsecured debentures and fluctuations in non-cash working capital. Management believes the shortfall in the three months ended March 31, 2026 will not result in an economic return of capital in the 2026 fiscal year⁽²⁾.

For the periods ended March 31 (\$ thousands)	Three Months		
	2026	2025	Change \$
Adjusted Cash Flow from Operations ⁽¹⁾	\$ 180,706	\$ 176,180	\$ 4,526
Less: Cash distributions declared	(139,937)	(138,121)	(1,816)
Excess of ACFO after distributions	\$ 40,769	\$ 38,059	\$ 2,710

ACFO may fluctuate each quarter due to the timing of maintenance capital spend during the year.

For the periods ended March 31 (\$ thousands)	Three Months		
	2026	2025	Change \$
Net loss	\$ (87,194)	\$ (96,233)	\$ 9,039
Add: Distributions on Exchangeable Units included in net interest expense and other financing charges	76,519	75,529	990
Net loss attributable to Unitholders excluding distributions on Exchangeable Units	(10,675)	(20,704)	10,029
Less: Cash distributions declared	(139,937)	(138,121)	(1,816)
Shortfall of net loss attributable to Unitholders, less distributions on Exchangeable Units, over cash distributions declared	\$ (150,612)	\$ (158,825)	\$ 8,213

Management anticipates that distributions declared will, in the foreseeable future, continue to vary from net loss as this GAAP measure includes adjustments to fair value and other non-cash items⁽²⁾.

4.5 Components of Total Adjusted Debt

Choice Properties' debt structure was as follows:

As at March 31, 2026 (\$ thousands)	GAAP Basis	Proportionate Share Basis ⁽ⁱ⁾⁽ⁱⁱ⁾	Proportionate Share Basis ⁽ⁱ⁾	
			Weighted average term to maturity (years)	Weighted average interest rate (%)
Construction loans	\$ 5,306	\$ 190,403	1.0	3.89 %
Credit facility	30,000	30,000	4.1	3.64 %
Less: Debt placement costs	(1,731)	(1,731)		
Add: Translation of US dollar denominated borrowings	293	293		
Variable rate debt	33,868	218,965	1.4	3.86%
Senior unsecured debentures	5,650,000	5,650,000	5.6	4.31 %
Mortgages payable	1,152,373	1,781,019	8.6	4.19 %
Less: Debt placement costs, discounts and premiums	(19,290)	(26,070)		
Fixed rate debt	6,783,083	7,404,949	6.3	4.28%
Total adjusted debt, net	\$ 6,816,951	\$ 7,623,914		

(i) Proportionate share⁽ⁱ⁾ reflects construction loans and mortgages payable within equity accounted joint ventures.

As at December 31, 2025 (\$ thousands)	GAAP Basis	Proportionate Share Basis ⁽ⁱ⁾⁽ⁱⁱ⁾	Proportionate Share Basis ⁽ⁱ⁾	
			Weighted average term to maturity (years)	Weighted average interest rate (%)
Construction loans (variable rate)	\$ 5,306	\$ 185,385	1.3	3.97 %
Senior unsecured debentures	5,650,000	5,650,000	5.8	4.31 %
Mortgages payable	1,169,939	1,801,700	8.7	4.18 %
Less: Debt placement costs, discounts and premiums	(20,285)	(27,241)		
Fixed rate debt	6,799,654	7,424,459	6.5	4.28 %
Total adjusted debt, net	\$ 6,804,960	\$ 7,609,844		

(i) Proportionate share⁽ⁱ⁾ reflects construction loans and mortgages payable within equity accounted joint ventures.

(ii) Unamortized debt placement costs for the credit facility were included in other assets as at December 31, 2025.

Construction Loans

For the purpose of financing the development of certain industrial and mixed-use & residential properties, various investments in equity accounted joint ventures and co-ownerships have variable rate non-revolving construction facilities, in which certain subsidiaries of the Trust guarantee its own share. As at March 31, 2026, the construction loans have a maximum capacity to be drawn at the Trust's ownership interest of \$277,681, of which \$272,156 relates to equity accounted joint ventures (December 31, 2025 - \$277,681 and \$272,156, respectively). The construction loans mature throughout 2026 and 2027.

As at March 31, 2026, \$190,403 was drawn on the construction loans, of which \$185,097 relates to equity accounted joint ventures. The construction loans had a weighted average interest rate of 3.89% and a weighted average term to maturity of 1.0 year (December 31, 2025 - 3.97% and 1.3 years, respectively).

Credit Facility

Choice Properties has a \$1,500,000 senior unsecured committed revolving credit facility provided by a syndicate of lenders maturing May 21, 2030.

Under the credit facility, the Trust has the ability to draw funds at variable rates in either Canadian dollars or U.S. dollars. Canadian dollar-denominated borrowings bear interest at either the Canadian bank prime rate plus 0.20% or Canadian Overnight Repo Rate Average ("CORRA") plus 1.20% and a daily compounded CORRA adjustment of approximately 0.30%, and U.S. dollar-denominated borrowings bear interest at the U.S. prime rate plus 0.30% or Secured Overnight Financing Rate ("SOFR") plus 1.30%. The pricing is contingent on the credit ratings for Choice Properties from either DBRS remaining at BBB (high) or S&P remaining at BBB+. Concurrently with any U.S. dollar draws, the Trust enters into cross currency swaps to exchange its U.S. dollar borrowings into Canadian dollar borrowings. The Trust applies hedge accounting to the cross currency swaps.

As at March 31, 2026, the Trust has U.S. dollar-denominated borrowings totaling \$21,855, equivalent to \$30,000 Canadian dollars (December 31, 2025 - \$nil) and \$nil (December 31, 2025 - \$nil) in Canadian dollar-denominated borrowings. Concurrent with the draws, the full amount of U.S. dollar-denominated borrowings was exchanged into Canadian dollars. As at March 31, 2026, the credit facility was revalued at \$30,293 Canadian dollars. The credit facility is subject to an annual commitment fee of 0.24% of the undrawn balance.

The credit facility contains certain financial covenants. As at March 31, 2026, the Trust was in compliance with all its financial covenants for the credit facility.

Summary of Total Adjusted Debt Activities

The following outlines the net changes to the components of Choice Properties' variable rate debt on a GAAP basis and non-GAAP proportionate share basis⁽¹⁾ during the three months ended March 31, 2026:

For the three months ended March 31, 2026 (\$ thousands)	GAAP Basis		Adjustment to Proportionate Share Basis ⁽¹⁾	Proportionate Share Basis ⁽¹⁾
	Credit facility	Construction loans	Construction loans ⁽ⁱ⁾	Total adjusted debt, variable rate
Principal balance outstanding, beginning of period	\$ —	\$ 5,306	\$ 180,079	\$ 185,385
Issuances and advances	30,000	—	5,018	35,018
Translation of US dollar denominated borrowings	293	—	—	293
Principal balance outstanding, end of period	\$ 30,293	\$ 5,306	\$ 185,097	\$ 220,696

(i) Adjustment to proportionate share⁽¹⁾ reflects construction loans within equity accounted joint ventures.

The following outlines the changes to the components of Choice Properties' fixed rate debt on a GAAP basis and non-GAAP proportionate share basis⁽¹⁾ during the three months ended March 31, 2026:

For the three months ended March 31, 2026 (\$ thousands)	GAAP Basis		Adjustment to Proportionate Share Basis ⁽¹⁾	Proportionate Share Basis ⁽¹⁾
	Senior unsecured debentures	Mortgages payable	Mortgages payable ⁽ⁱ⁾	Total adjusted debt, fixed rate
Principal balance outstanding, beginning of period	\$ 5,650,000	\$ 1,169,939	\$ 631,761	\$ 7,451,700
Repayments	—	(17,566)	(3,115)	(20,681)
Principal balance outstanding, end of period	\$ 5,650,000	\$ 1,152,373	\$ 628,646	\$ 7,431,019

(i) Adjustment to proportionate share⁽¹⁾ reflects mortgages payable within equity accounted joint ventures.

Schedules of Repayments and Cash Flow Activities

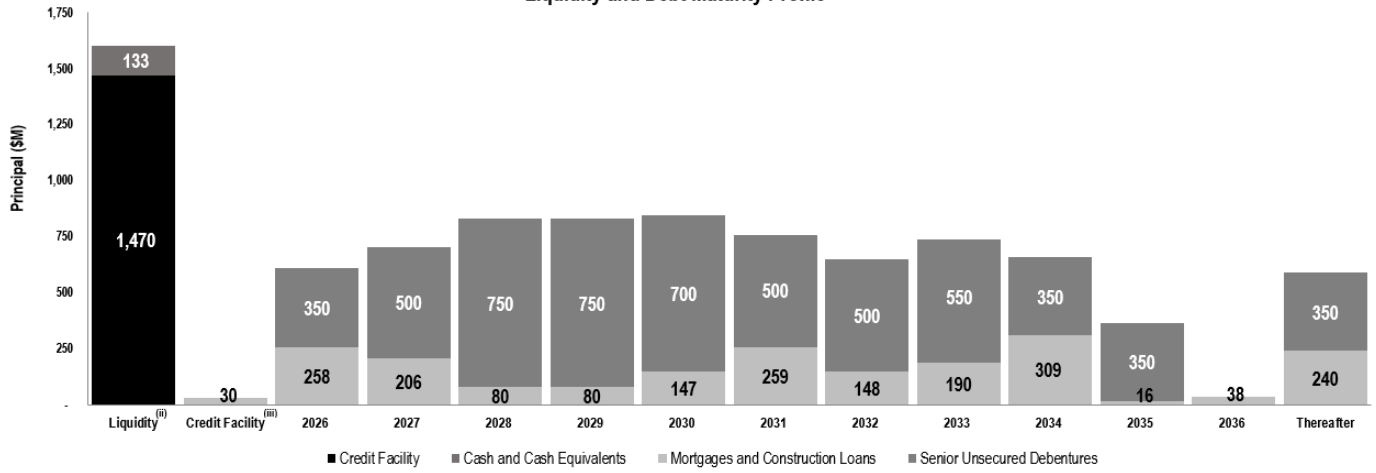
The schedule of principal repayments of total long term debt on a GAAP basis and non-GAAP proportionate share basis⁽¹⁾ based on maturity is as follows:

As at March 31, 2026 (\$ thousands)	GAAP Basis				Adjustment to Proportionate Share Basis ⁽¹⁾		Proportionate Share Basis ⁽¹⁾
	Credit facility	Senior unsecured debentures	Mortgages payable	Construction loans	Mortgages payable ⁽ⁱ⁾	Construction loans ⁽ⁱ⁾	Total
Remainder of 2026	\$ —	\$ 350,000	\$ 137,685	\$ 5,306	\$ 16,312	\$ 98,454	\$ 607,757
2027	—	500,000	95,109	—	24,555	86,643	706,307
2028	—	750,000	49,819	—	29,812	—	829,631
2029	—	750,000	40,205	—	40,089	—	830,294
2030	30,293	700,000	133,498	—	13,194	—	876,985
Thereafter	—	2,600,000	696,057	—	504,684	—	3,800,741
Total adjusted debt outstanding	\$ 30,293	\$ 5,650,000	\$ 1,152,373	\$ 5,306	\$ 628,646	\$ 185,097	\$ 7,651,715

(i) Adjustment to proportionate share⁽¹⁾ reflects mortgages payable and construction loans within equity accounted joint ventures.

In order to reduce refinancing risk, Choice Properties attempts to stagger debt maturities and future financing obligations to ensure no large maturities or financing needs occur in any one year.

Liquidity and Debt Maturity Profile⁽ⁱ⁾



- (i) Presented on a proportionate share basis⁽¹⁾.
- (ii) Includes cash and cash equivalents.
- (iii) The credit facility matures on May 21, 2030.

4.6 Financial Condition

Choice Properties is subject to certain financial and non-financial covenants on its senior unsecured debentures and credit facility that include maintaining certain leverage and debt service ratios. These ratios are monitored by management on an ongoing basis to ensure compliance. Choice Properties was in compliance with all these covenants as at March 31, 2026 and December 31, 2025.

The Trust's compliance with leverage and coverage ratios, as they relate to its debentures, are shown below:

		As at March 31, 2026	As at December 31, 2025
Adjusted Debt to Total Assets⁽¹⁾⁽ⁱ⁾	Limit: Maximum excluding convertible debt is 60.0%	40.9 %	40.5 %
Debt Service Coverage Ratio⁽¹⁾⁽ⁱ⁾	Limit: Minimum 1.5x	3.0x	2.9x
Adjusted Debt to EBITDAFV^{(1)(i)(ii)(iv)(v)}		7.0x	7.0x
Interest Coverage Ratio^{(1)(iii)(iv)}		3.4x	3.2x

(i) Debt ratios exclude Exchangeable Units. The ratios are non-GAAP financial measures calculated based on the Trust Indentures, as supplemented.

(ii) Refer to Section 14.6, "Earnings Before Interest, Taxes, Depreciation, Amortization and Fair Value" for a reconciliation of net loss to EBITDAFV used in this ratio.

(iii) Refer to Section 14.5, "Net Interest Expense and Other Financing Charges Reconciliation" for a reconciliation of proportionate share basis⁽¹⁾ to GAAP basis for net interest expense and other financing charges used in this ratio.

(iv) The senior unsecured debentures and credit facility financial covenants do not include the Adjusted Debt to EBITDAFV⁽¹⁾ and Interest Coverage Ratio⁽¹⁾ metrics. These metrics are used to assess financial leverage and are useful in determining the Trust's ability to meet financial obligations. Refer to Section 14 "Non-GAAP Financial Measures".

(v) Adjusted Debt to EBITDAFV, net of cash⁽¹⁾ was 6.9x as at March 31, 2026 and 6.9x as at December 31, 2025.

4.7 Credit Ratings

Choice Properties' debt securities are rated by two independent credit rating agencies: DBRS and S&P.

On May 15, 2025, S&P confirmed the Choice Properties rating at BBB+ with a stable outlook. On April 16, 2026, DBRS confirmed the Choice Properties rating at BBB (high) with a positive trend. A credit rating of BBB- or higher is an investment grade rating.

The following table sets out the current credit ratings for Choice Properties as at March 31, 2026:

Credit ratings (Canadian standards)	DBRS		S&P	
	Credit rating	Trend	Credit rating	Outlook
Issuer rating	BBB (high)	Positive	BBB+	Stable
Senior unsecured debentures	BBB (high)	Positive	BBB+	N/A

4.8 Unit Equity

Unit equity, for the purposes of this MD&A, includes both Units and Exchangeable Units, which are economically equivalent to Units and receive equal distributions. The following is a continuity of Choice Properties' unit equity:

	Three months ended March 31, 2026	Year ended December 31, 2025
Units, beginning of period	328,024,272	327,923,972
Units issued and granted under unit-based compensation arrangements	—	424,398
Units repurchased for unit-based compensation arrangements	—	(324,098)
Units, end of period	328,024,272	328,024,272
Exchangeable Units, end of period	395,786,525	395,786,525
Total Units and Exchangeable Units, end of period	723,810,797	723,810,797

Normal Course Issuer Bid ("NCIB")

Choice Properties, may, from time to time, purchase Units in accordance with the rules prescribed under applicable stock exchange or regulatory policies. On November 19, 2025, Choice Properties received approval from the TSX to purchase up to 27,436,700 Units during the twelve-month period from November 21, 2025 to November 20, 2026, by way of a NCIB over the facilities of the TSX or through alternative trading systems. Choice Properties intends to file a Notice of Intention to make a NCIB with the TSX upon the expiry of its current NCIB.

Units Issued and Granted under Unit-Based Compensation Arrangements

During the year ended December 31, 2025, Units were issued as part of settlements under the Unit Option and Trustee Deferred Unit Plans and granted under the Unit-Settled Restricted Unit Plan, as applicable.

Units Repurchased for Unit-Based Compensation Arrangements

The Trust acquired Units under its NCIB during the year ended December 31, 2025, which were then granted to certain employees in connection with the Unit-Settled Restricted Unit Plan, and are subject to vesting conditions and disposition restrictions. In addition, during the year ended December 31, 2025, the Trust acquired Units under its NCIB to settle an obligation under the Trustee Deferred Unit Plan.

Distributions

The distributions declared for the three months March 31, 2026 and 2025, including distributions to holders of Exchangeable Units, were as follows:

For the periods ended March 31 (\$ thousands)	Three Months		
	2026	2025	Change \$
Total distributions declared	\$ 139,937	\$ 138,121	\$ 1,816

Choice Properties' Board retains full discretion with respect to the timing and quantum of distributions and expects to distribute the amount necessary to ensure the Trust will not be liable to pay income taxes under Part I of the *Income Tax Act (Canada)*⁽ⁱ⁾. Accordingly, no provision for current income taxes payable is required, except for amounts incurred for the Trust's Canadian corporate subsidiaries. The taxable income allocated to the Trust and Exchangeable Unitholders may vary in certain taxation years. Over time, such differences, in aggregate, are expected to be minimal.

On February 18, 2026, the Board reviewed and approved an increase of distributions to \$0.78 per unit per annum from the previous rate of \$0.77 per unit per annum (an increase of 1.3%). The increase was effective for Unitholders of record on March 31, 2026.

In determining the amount of distributions to be made to Unitholders, Choice Properties' Board considers many factors, including provisions in its Declaration of Trust, macro-economic and industry specific environments, the overall financial condition of the Trust, future capital requirements, debt covenants, and taxable income. In accordance with Choice Properties' Distribution Policy, management and the Board regularly review Choice Properties' rate of distributions to assess the stability of cash and non-cash distributions.

(i) Choice Properties qualified as a "mutual fund trust" and a "real estate investment trust" under the Income Tax Act (Canada).

4.9 Net Asset Value

NAV⁽¹⁾ is an alternate measure of equity and includes Unitholder's Equity and the fair value of the Trust's Exchangeable Units. Under GAAP, Exchangeable Units are considered debt. The Exchangeable Units are not required to be repaid and the holder of these units has the right to convert them into Units, therefore management considers the Exchangeable Units to be equivalent to equity.

(\$ thousands except where otherwise indicated)	As at March 31, 2026	As at December 31, 2025	Change
Unitholders' equity	\$ 4,434,568	\$ 4,584,809	\$ (150,241)
Exchangeable Units	6,079,281	5,861,598	217,683
NAV⁽¹⁾	\$ 10,513,849	\$ 10,446,407	\$ 67,442
NAV⁽¹⁾ per unit	\$ 14.53	\$ 14.43	\$ 0.10
Trust Units and Exchangeable Units, end of year	723,810,797	723,810,797	—

Three Months

NAV⁽¹⁾ increased by \$67.4 million or \$0.10 per unit during the three months ended March 31, 2026, primarily due to net contributions from FFO of \$196.0 million and a fair value gain on investment properties of \$66.4 million on a proportionate share basis⁽¹⁾, partially offset by distributions of \$139.9 million and a fair value loss on the investment of real estate securities of \$49.5 million due to the change in Allied's unit price.

4.10 Financial Instruments

Designated hedging derivatives consist of interest rate swaps to hedge the interest rate associated with an equivalent amount of variable rate mortgages, and cross currency swaps to hedge foreign exchange associated with the equivalent amount borrowed in U.S. dollars on the Trust's credit facility. As at March 31, 2026, the interest rates associated with the interest rate swaps ranged from 2.8% to 5.0% (December 31, 2025 - 2.8% to 5.0%).

The impact of the hedging instruments on the consolidated balance sheets was as follows:

(\$ thousands)	Maturity Date	Notional Amount	As at March 31, 2026	As at December 31, 2025
Derivative assets				
Interest rate swaps	Sep 2026 - Jun 2030	\$ 62,241	\$ 4,263	\$ 4,319
Cross currency swap	April 2026	30,000	293	—
Total derivative assets		\$ 92,241	\$ 4,556	\$ 4,319
Derivative liabilities				
Interest rate swaps	March 1, 2030	\$ 73,440	\$ 1,334	\$ 1,761
Total derivative liabilities		\$ 73,440	\$ 1,334	\$ 1,761

During the three months ended March 31, 2026, Choice Properties recorded an unrealized fair value gain in other comprehensive income (loss) of \$371 (March 31, 2025 - unrealized fair value loss of \$2,050).

4.11 Off-Balance Sheet Arrangements

Choice Properties issues letters of credit to support guarantees related to its investment properties including maintenance and development obligations to municipal authorities. The Trust has aggregate letters of credit with a maximum capacity of \$103,181 at the Trust's ownership interest. As at March 31, 2026, the aggregate gross potential liability related to these letters of credit totalled \$27,125 (December 31, 2025 - \$29,918).

5. RESULTS OF OPERATIONS

Choice Properties' results, as reported under GAAP, for the three months ended March 31, 2026 and 2025 are summarized below:

For the periods ended March 31 (\$ thousands)	Three Months			
	2026	2025	Change \$	% Change
Net Operating Income				
Rental revenue	\$ 361,192	\$ 346,912	\$ 14,280	4.1 %
Property operating costs	(105,095)	(101,063)	(4,032)	4.0 %
	256,097	245,849	10,248	4.2 %
Other Income and Expenses				
Interest income	11,009	11,661	(652)	(5.6)%
Investment income ⁽ⁱ⁾	2,126	5,315	(3,189)	(60.0)%
Fee income	1,167	2,470	(1,303)	(52.8)%
Net interest expense and other financing charges	(150,063)	(146,189)	(3,874)	2.6 %
General and administrative expenses	(16,058)	(14,737)	(1,321)	9.0 %
Share of income from equity accounted joint ventures	(2,765)	16,155	(18,920)	(117.1)%
Amortization of intangible assets	(250)	(250)	—	— %
Adjustment to fair value of unit-based compensation	(296)	(18)	(278)	1,544.4 %
Adjustment to fair value of Exchangeable Units	(217,683)	(237,472)	19,789	(8.3)%
Adjustment to fair value of investment properties	79,003	29,958	49,045	163.7 %
Adjustment to fair value of investment in real estate securities	(49,480)	(8,974)	(40,506)	451.4 %
Loss before Income Taxes	(87,193)	(96,232)	9,039	(9.4)%
Income tax expense	(1)	(1)	—	— %
Net Loss	\$ (87,194)	\$ (96,233)	\$ 9,039	(9.4)%

(i) Investment income is comprised of distributions from the Trust's investment in Allied.

Adjustments to fair value can vary widely from period to period, as they are impacted by market factors such as the Trust's Unit price, Allied's publicly traded unit price, and market capitalization rates. These market factors can have a significant impact on the Trust's net income.

Three Months

The Trust reported a net loss of \$87.2 million for the three months compared to a net loss of \$96.2 million for the prior year period.

The difference was primarily due to changes in certain non-cash adjustments to fair value including: a \$49.0 million favourable change in the adjustment to fair value of investment properties and a \$19.8 million favourable change in the adjustment to fair value of the Trust's Exchangeable Units due to the change in the Trust's unit price, partially offset by a \$40.5 million unfavourable change in the adjustment to fair value of the investment in real estate securities of Allied due to the change in Allied's unit price and a \$18.9 million decrease in income from equity accounted joint ventures resulting from an unfavourable change in the adjustment to fair value of related investment properties.

Rental Revenue and Property Operating Costs

Rental revenue is comprised primarily of base rent, including straight-line rent, and recoveries from tenants for property taxes, insurance, operating costs, and qualifying capital expenditures. Growth in rental revenue is materially impacted by newly acquired or constructed assets.

Property operating costs are comprised primarily of expenses to manage and maintain the properties for the benefit of the tenants, including realty taxes and insurance, that are recoverable under the leases of most tenants. Non-recoverable operating costs do not directly benefit the tenants and include property management fees paid by the Trust for properties managed by its partners.

For the periods ended March 31 (\$ thousands)	Three Months		
	2026	2025	Change \$
Rental revenue	\$ 361,192	\$ 346,912	\$ 14,280
Property operating costs	(105,095)	(101,063)	(4,032)
Net Operating Income	\$ 256,097	\$ 245,849	\$ 10,248

Three Months

Net operating income increased for the three month period compared to the prior year period primarily due to increased rental revenue from new leasing, higher rental rates on renewals, and contractual rent steps mainly in the retail and industrial portfolios. Further contributing to the increase was net operating income generated from net acquisitions and completed developments over the past twelve months, as well as higher lease surrender revenue. The increase was partially offset by a property tax incentive recognized in the prior year in the mixed-use and residential portfolio.

Interest Income

For the periods ended March 31 (\$ thousands)	Three Months		
	2026	2025	Change \$
Interest income from mortgages and loans receivable	\$ 6,589	\$ 6,073	\$ 516
Income earned from financial real estate assets	3,308	3,014	294
Income from financial real estate assets due to changes in value	604	1,405	(801)
Other interest income	508	1,169	(661)
Interest Income	\$ 11,009	\$ 11,661	\$ (652)

Three Months

Interest income decreased for the three month period compared to the prior year period primarily due to changes in fair value from financial real estate assets and lower interest income earned on excess cash, partially offset by higher interest income from mortgages and loans receivable and financial real estate assets.

Fee Income

Fees charged to third parties include property management fees, leasing fees, project management fees, and development management fees relating to co-owned properties which serve as a cash flow supplement to enhance returns from the co-owned assets. Fee income from third parties is impacted by changes in the portfolio along with the timing of leasing transactions and project and development activities. In addition, Choice Properties provides Wittington with property management services for jointly and wholly owned assets with third-party tenancies, development management services for jointly owned assets, and development consulting services on a fee for service basis (see Section 9, "Related Party Transactions").

For the periods ended March 31 (\$ thousands)	Three Months		
	2026	2025	Change \$
Fees charged to related party	\$ 361	\$ 111	\$ 250
Fees charged to third parties	806	2,359	(1,553)
Fee Income	\$ 1,167	\$ 2,470	\$ (1,303)

Three Months

Fee income decreased for the three months compared to the prior year period primarily due to a fee recognized in the prior year resulting from the termination of an agreement with a development partner.

Net Interest Expense and Other Financing Charges

For the periods ended March 31 (\$ thousands)	Three Months		
	2026	2025	Change \$
Interest on senior unsecured debentures	\$ 60,182	\$ 55,902	\$ 4,280
Interest on mortgages and construction loans	11,896	13,486	(1,590)
Interest on credit facility	908	1,174	(266)
Interest on right-of-use lease liabilities	9	10	(1)
Amortization of debt discounts and premiums	74	135	(61)
Amortization of debt placement costs	1,144	1,062	82
Capitalized interest ⁽ⁱ⁾	(669)	(1,109)	440
	73,544	70,660	2,884
Distributions on Exchangeable Units ⁽ⁱⁱ⁾	76,519	75,529	990
Net interest expense and other financing charges	\$ 150,063	\$ 146,189	\$ 3,874

(i) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.28% for the three months ended March 31, 2026 (March 31, 2025 - 4.23%).

(ii) Represents interest on indebtedness due to GWL.

Three Months

Net interest expense and other financing charges increased for the three months compared to the prior year period primarily due to new debt issuances over the past twelve months bearing interest at higher rates than maturing debt, as well as a higher average debt balance.

General and Administrative Expenses

For the periods ended March 31 (\$ thousands)	Three Months		
	2026	2025	Change \$
Salaries, benefits and employee costs	\$ 17,110	\$ 17,168	\$ (58)
Investor relations and other public entity costs	926	748	178
Professional fees	1,081	1,258	(177)
Information technology costs	3,013	2,184	829
Services Agreement expense charged by related party ⁽ⁱ⁾	1,284	1,247	37
Amortization of other assets	293	316	(23)
Office related costs	620	373	247
Other	660	475	185
	24,987	23,769	1,218
Less:			
Capitalized to properties under development	(3,034)	(3,367)	333
Allocated to recoverable operating expenses	(5,895)	(5,665)	(230)
General and administrative expenses	\$ 16,058	\$ 14,737	\$ 1,321

(i) The Services Agreement is described in Section 9, "Related Party Transactions".

Three Months

General and administrative expenses increased for the three months compared to the prior year period primarily due to higher information technology and office related costs, and other timing differences.

6. LEASING ACTIVITY

Choice Properties' leasing activities are centred on driving value by:

- focusing on property operations and striving for superior service to tenants;
- managing properties to maintain high levels of occupancy;
- increasing rental rates when market conditions permit; and
- adding tenants in complementary business sectors to retail sites anchored by Loblaw food and drug stores.

The following table details the changes for in-place occupancy by segment for the three months ended March 31, 2026:

(in thousands of square feet except where otherwise indicated)	Retail ⁽ⁱ⁾				Industrial ⁽ⁱⁱ⁾				Mixed-Use & Residential ⁽ⁱⁱⁱ⁾			Total Portfolio			
	Leasable	Occupied	%	Rate ^(iv)	Leasable	Occupied	%	Rate ^(iv)	Leasable	Occupied	%	Leasable	Occupied	%	Rate ^(iv)
Dec. 31, 2025	44,455	43,552	98.0 %	\$ 17.51	22,205	21,943	98.8 %	\$ 10.40	1,075	1,007	93.7 %	67,735	66,502	98.2 %	\$15.31
New Leasing	—	97		\$ 25.03	—	24		\$ 13.56	—	2		—	123		\$22.76
Net Expiries ^(v)	—	(116)		\$ 20.01	—	(79)		\$ 14.62	—	(2)		—	(197)		\$ 17.81
Absorption	—	(19)			—	(55)			—	—		—	(74)		
Portfolio changes ^(vi)	64	62			(9)	(9)			—	1		55	54		
Mar. 31, 2026	44,519	43,595	97.9 %	\$ 17.54	22,196	21,879	98.6 %	\$ 10.43	1,075	1,008	93.8 %	67,790	66,482	98.1 %	\$15.35
Renewals		364		\$ 22.40		103		\$ 13.74		—			467		\$20.49
Long Term Renewal Spread ^(vii)				17.2 %				46.2 %							21.8 %
Retention Ratio				75.8 %				56.6 %							70.3 %

- (i) Includes 952,000 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, 2025 - 950,000 sq. ft.).
- (ii) Includes 2,405,000 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, 2025 - 2,405,000 sq. ft.).
- (iii) Occupancy represents retail and office portion of mixed-use properties; residential units are excluded.
- (iv) Weighted average rate per occupied square foot excludes ground leases. Total portfolio excludes Mixed-Use & Residential.
- (v) Net expiries reflects spaces that naturally expired and were not renewed, as well as early terminations. Q1 2026 net expiries included 35,000 sq. ft. of early terminations related to a tenant bankruptcy in the retail segment.
- (vi) Portfolio changes represents changes in occupied square footage arising from acquisitions, dispositions, intensifications, expansions, and transfers from properties under development.
- (vii) Long term renewal spread is calculated as the difference between the average rental rate of the renewal term and the expiring rental rate. Comparing the rental rate during the first year of the renewal term versus the expiring rate, spread was 17.5% (Retail - 14.4%, Industrial - 34.2%). Total portfolio excludes Mixed-Use & Residential.

Three Months

Overall occupancy remained stable at 98.1% as at March 31, 2026, compared to 98.2% as at December 31, 2025.

Occupancy decreased slightly in the retail segment primarily due to negative absorption of 19,000 square feet, primarily in the Quebec and Atlantic portfolios. Lower retention ratio resulted from 116,000 square feet vacated during the period, approximately 50% of which has been backfilled with new leases commencing in 2026.

Occupancy decreased in the industrial segment due to negative absorption of 55,000 square feet, primarily in the Alberta portfolio. Lower retention in the industrial segment was driven by the expiry of a 73,000 square foot unit, where the tenant required a significantly larger space.

Choice Properties' principal tenant, Loblaw, represents 59.3% of its total GLA (December 31, 2025 - 59.4%).

(in millions of square feet except where otherwise indicated)	As at March 31, 2026				As at December 31, 2025			
	Portfolio GLA	Occupied GLA	Occupancy (%)	WALT ⁽ⁱ⁾ (years)	Portfolio GLA	Occupied GLA	Occupancy (%)	WALT ⁽ⁱ⁾ (years)
Loblaw banners ⁽ⁱⁱ⁾	40.2	40.2	100.0%	5.9	40.2	40.2	100.0%	6.1
Third-party tenants ⁽ⁱⁱⁱ⁾	27.6	26.3	95.3%	5.9	27.5	26.3	95.6%	6.0
Total commercial GLA	67.8	66.5	98.1%	5.9	67.7	66.5	98.2%	6.0

(i) Weighted average lease term.

(ii) Included in Loblaw banners GLA is 1.9 million sq. ft. related to ground leases (December 31, 2025 - 1.9 million sq. ft.).

(iii) Included in third-party tenants GLA is 1.5 million sq. ft. related to ground leases (December 31, 2025 - 1.5 million sq. ft.).

The lease maturity profile for Choice Properties' portfolio as at March 31, 2026 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 (\$ 000s)	Average expiring base rent (per square foot)
Month-to-month	213	—	213	0.3 %	\$ 3,710	\$ 17.42
Remainder of 2026	1,465	107	1,572	2.3 %	22,322	14.20
2027	3,135	3,909	7,044	10.4 %	111,084	15.77
2028	3,353	4,845	8,198	12.1 %	130,512	15.92
2029	2,811	6,989	9,800	14.5 %	152,586	15.57
2030	3,828	6,996	10,824	16.0 %	170,370	15.74
2031	1,712	6,750	8,462	12.5 %	144,785	17.11
2032 & Thereafter	8,234	8,778	17,012	25.0 %	301,112	17.70
Occupied GLA	24,751	38,374	63,125	93.1 %	1,036,481	16.42
Ground lease GLA ⁽ⁱ⁾	1,505	1,852	3,357	5.0 %	51,453	15.33
Vacant GLA	1,308	—	1,308	1.9 %	—	—
Total	27,564	40,226	67,790	100.0 %	\$ 1,087,934	\$ 16.36

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

Retail Tenant Profile

Choice Properties' retail portfolio is the foundation for maintaining stable and growing cash flows. It is primarily leased to grocery stores, pharmacies, and other necessity-based tenants. In addition, the Trust has 175 gas bars in its retail segment (December 31, 2025 - 175), which are excluded from reported occupancy. Stability is attained through a strategic relationship and long-term leases with Loblaw.

The Trust's 15 largest retail tenants as at March 31, 2026 represented approximately 57.1% of total annualized gross rental revenue and 76.2% of retail annualized gross rental revenue, as calculated on a proportionate share basis⁽ⁱ⁾. The names noted below may be the names of the parent entities and are not necessarily the parties to the leases.

Retail Tenants	% of Retail Annualized Gross Rental Revenue	GLA (000s square feet)
1. Loblaws	64.7 %	30,958
2. Canadian Tire	1.7 %	833
3. TJX Companies	1.6 %	687
4. Dollarama	1.6 %	596
5. Goodlife	1.3 %	509
6. Liquor Control Board of Ontario (LCBO)	0.7 %	185
7. TD Canada Trust	0.7 %	125
8. Walmart	0.6 %	544
9. Sobeys	0.6 %	245
10. Staples	0.6 %	272
11. Leon's Furniture	0.5 %	202
12. Recipe Unlimited Corporation	0.4 %	102
13. Restaurant Brands International	0.4 %	95
14. Pet Valu	0.4 %	114
15. LA Fitness	0.4 %	115
Total	76.2 %	35,582

The following table outlines further details of the Trust's retail tenant composition as at March 31, 2026:

Retail Category⁽ⁱ⁾	% of Retail Annualized Gross Rental Revenue	GLA (000s square feet)
Grocery & Pharmacy	68.0 %	32,427
Essential Services	15.4 %	4,619
Specialty & Value	5.4 %	2,399
Fitness & Other Personal Services	3.5 %	1,200
Furniture & Home	2.6 %	1,167
Full-Service Restaurants	2.6 %	614
Other	2.5 %	1,169
Total	100.0 %	43,595

(i) During the fourth quarter of 2025, the Trust reclassified certain tenants within the Fitness & Other Personal Services to the Essential Services, Specialty & Value and Other categories.

The lease maturity profile for Choice Properties' retail portfolio as at March 31, 2026 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 (\$ 000s)	Average expiring base rent (per square foot)
Month-to-month	213	—	213	0.5 %	\$ 3,710	\$ 17.42
Remainder of 2026 ⁽ⁱ⁾	764	107	871	2.0 %	15,251	17.51
2027	1,756	3,909	5,665	12.7 %	97,381	17.19
2028	1,591	4,059	5,650	12.7 %	101,361	17.94
2029	1,421	6,319	7,740	17.4 %	127,633	16.49
2030	1,392	6,393	7,785	17.5 %	133,746	17.18
2031	1,524	4,999	6,523	14.7 %	123,480	18.93
2032 & Thereafter	3,024	5,172	8,196	18.3 %	178,099	21.73
Occupied GLA	11,685	30,958	42,643	95.8 %	780,661	18.31
Ground lease GLA ⁽ⁱⁱ⁾	952	—	952	2.1 %	12,382	13.01
Vacant GLA	924	—	924	2.1 %	—	—
Total	13,561	30,958	44,519	100.0 %	\$ 793,043	\$ 18.19

(i) The 871,000 sq. ft. of GLA maturing in 2026 is located in the following markets: 4.4% Greater Vancouver Area, 7.3% Calgary, 2.7% Edmonton, 30.3% Greater Toronto Area, 4.4% Ottawa, 3.0% Greater Montreal Area, and 47.9% other markets.

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

Industrial Tenant Profile

Choice Properties' industrial portfolio is centred on large, purpose-built distribution facilities for Loblaw and high-quality "generic" industrial assets that readily accommodate the diverse needs of a broad range of tenants. The term "generic" refers to a product that appeals to a wide range of potential users, such that the leasing or re-leasing timeframe is reduced.

The Trust's 15 largest industrial tenants as at March 31, 2026 represented approximately 15.2% of total annualized gross rental revenue and 68.7% of industrial annualized gross rental revenue, as calculated on a proportionate share basis⁽¹⁾. The names noted below may be the names of the parent entities and are not necessarily the parties to the leases.

Industrial Tenants	% of Industrial Annualized Gross Rental Revenue	GLA (000s square feet)
1. Loblaws	34.8 %	8,541
2. Amazon	4.5 %	1,020
3. Canada Cartage	4.3 %	741
4. TEN Canada Ltd.	4.0 %	293
5. Wonderbrands Inc.	3.4 %	1,050
6. Pet Valu	3.2 %	353
7. NFI IPD	2.4 %	354
8. Uline Canada Corporation	2.0 %	635
9. Kimberly-Clark	1.8 %	514
10. Alberta Gaming, Liquor and Cannabis	1.8 %	424
11. Canadian Tire	1.6 %	486
12. Ecco Heating Products	1.4 %	374
13. Chep Canada Corporation	1.4 %	198
14. Kuehne + Nagel Ltd.	1.3 %	297
15. Wolseley Canada Inc.	0.8 %	122
Total	68.7 %	15,402

The following table outlines further details of the Trust's industrial tenant composition as at March 31, 2026:

Building Type / Tenant Use	% of Industrial Annualized Gross Rental Revenue	GLA (000s square feet) ⁽ⁱ⁾	Occupied GLA (000s square feet)	Occupancy
Distribution	53.4 %	11,594	11,307	97.5 %
Large Bay-Loblaw Distribution	34.8 %	8,541	8,541	100.0 %
Warehouse ⁽ⁱⁱ⁾	11.8 %	2,061	2,031	98.5 %
Total	100.0 %	22,196	21,879	98.6 %

(i) Includes 1,852,000 sq. ft. in Large Bay-Loblaw Distribution and 553,000 sq. ft. in Distribution that represent the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases.

(ii) Warehouse includes certain Small Bay assets.

The lease maturity profile for Choice Properties' industrial portfolio as at March 31, 2026 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 (\$ 000s)	Average expiring base rent (per square foot)
Remainder of 2026 ⁽ⁱ⁾	657	—	657	3.0 %	6,058	\$ 9.22
2027	1,333	—	1,333	6.0 %	12,370	9.28
2028	1,746	772	2,518	11.3 %	28,277	11.23
2029	1,354	670	2,024	9.1 %	23,802	11.76
2030	2,423	596	3,019	13.6 %	35,836	11.87
2031	149	1,267	1,416	6.4 %	12,220	8.63
2032 & Thereafter	5,123	3,384	8,507	38.4 %	110,336	12.97
Occupied GLA ⁽ⁱⁱ⁾	12,785	6,689	19,474	87.8 %	228,899	11.75
Ground lease GLA ⁽ⁱⁱⁱ⁾	553	1,852	2,405	10.8 %	39,070	16.25
Vacant GLA	317	—	317	1.4 %	—	—
Total	13,655	8,541	22,196	100.0 %	\$ 267,969	\$ 12.25

- (i) The 657,000 sq. ft. of GLA maturing in 2026 is located in the following markets: 35.7% Calgary, 36.7% Edmonton, 17.5% Greater Toronto Area, and 10.1% other markets.
- (ii) Average in-place base rent per square foot for the major markets (excluding ground leases): \$14.56 Greater Vancouver Area, \$8.74 Calgary, \$9.45 Edmonton, \$11.20 Greater Toronto Area, \$10.41 Greater Montreal Area, and \$8.79 other markets.
- (iii) Represents the building area on properties where the Trust has leased the underlying sites to tenants through ground leases.

7. RESULTS OF OPERATIONS - SEGMENT INFORMATION

7.1 Net Income and Segment NOI Reconciliation

Choice Properties operates in three reportable segments: retail, industrial, and mixed-use & residential. Management measures and evaluates the performance of the Trust based on net operating income, which is presented by segment below at the proportionate share⁽¹⁾ of the related revenue and expenses for these properties, while other net income items are reviewed on a consolidated GAAP basis.

The following table reconciles net loss on a proportionate share basis⁽¹⁾ to net loss as determined in accordance with GAAP for the three months ended March 31, 2026:

(\$ 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	\$ 289,598	\$ 81,057	\$ 17,139	\$ 387,794	\$ (27,424)	\$ 360,370
Property operating costs	(87,717)	(20,627)	(6,365)	(114,709)	9,614	(105,095)
Net Operating Income, Cash Basis⁽¹⁾	201,881	60,430	10,774	273,085	(17,810)	255,275
Straight-line rental revenue	(2,415)	4,882	202	2,669	(3,773)	(1,104)
Lease surrender revenue	2,027	—	—	2,027	(101)	1,926
Net Operating Income, Accounting Basis⁽¹⁾	201,493	65,312	10,976	277,781	(21,684)	256,097
Other Income and Expenses						
Interest income				6,525	4,484	11,009
Investment income				2,126	—	2,126
Fee income				1,167	—	1,167
Net interest expense and other financing charges				(157,453)	7,390	(150,063)
General and administrative expenses				(16,058)	—	(16,058)
Share of income from equity accounted joint ventures				—	(2,765)	(2,765)
Amortization of intangible assets				(250)	—	(250)
Adjustment to fair value of unit-based compensation				(296)	—	(296)
Adjustment to fair value of Exchangeable Units				(217,683)	—	(217,683)
Adjustment to fair value of investment properties				66,428	12,575	79,003
Adjustment to fair value of investment in real estate securities				(49,480)	—	(49,480)
Loss before Income Taxes				(87,193)	—	(87,193)
Income tax expense				(1)	—	(1)
Net Loss				\$ (87,194)	\$ —	\$ (87,194)

(i) Reconciling items adjust Choice Properties' proportionate share of joint ventures and financial real estate assets to reflect the equity method of accounting and financial instrument accounting treatment, respectively, under GAAP.

7.2 Net Operating Income⁽¹⁾ Summary

NOI⁽¹⁾ is a supplemental measure of operating performance widely used in the real estate industry. There is no standard industry definition of NOI⁽¹⁾. Refer to Section 14.1, “Net Operating Income”, of this MD&A for a definition of NOI⁽¹⁾ and a reconciliation to net loss determined in accordance with GAAP.

Management also measures performance of operating segments using NOI⁽¹⁾ as calculated on a proportionate share basis⁽¹⁾ and, in particular, Same-Asset NOI, which isolates Management’s success at dealing with certain key performance factors. “Same-Asset” refers to those properties that were owned and operated by Choice Properties for the entire 15 months ended March 31, 2026, and where such properties had no changes to income as a result of acquisitions, dispositions, new developments, redevelopments and expansions, intensifications, transfers, or demolitions (collectively, “Transactions”). NOI related to Transactions for the period is presented separately from the Same-Asset financial results.

Choice Properties’ NOI⁽¹⁾, calculated on a proportionate share basis⁽¹⁾ to incorporate the Trust’s investment in equity accounted joint ventures and financial real estate assets as if they were owned directly, for the three months ended March 31, 2026 and 2025 is summarized below.

Summary - Accounting Basis

For the periods ended March 31 (\$ thousands)	Three Months			
	2026	2025	Change \$	% Change
Rental revenue	\$ 365,323	\$ 350,715	\$ 14,608	4.2 %
Straight-line rental revenue	(1,737)	(369)	(1,368)	n/a
Property operating costs excluding bad debt expense	(109,802)	(102,782)	(7,020)	6.8 %
Same-Asset NOI, Accounting Basis excluding bad debt expense	253,784	247,564	6,220	2.5 %
Bad debt recovery	11	53	(42)	n/a
Same-Asset NOI, Accounting Basis	253,795	247,617	6,178	2.5 %
Transactions NOI including straight-line rental revenue, excluding bad debt expense	21,203	15,621	5,582	
Bad debt recovery (expense)	756	(169)	925	
Transactions NOI, Accounting Basis	21,959	15,452	6,507	
Lease surrender revenue	2,027	84	1,943	
Total NOI, Accounting Basis	\$ 277,781	\$ 263,153	\$ 14,628	5.6 %

Summary - Cash Basis

For the periods ended March 31 (\$ thousands)	Three Months			
	2026	2025	Change \$	% Change
Rental revenue	\$ 365,323	\$ 350,715	\$ 14,608	4.2 %
Property operating costs excluding bad debt expense	(109,802)	(102,782)	(7,020)	6.8 %
Same-Asset NOI, Cash Basis excluding bad debt expense	255,521	247,933	7,588	3.1 %
Bad debt recovery	11	53	(42)	n/a
Same-Asset NOI, Cash Basis	255,532	247,986	7,546	3.0 %
Transactions NOI excluding bad debt expense	16,797	14,253	2,544	
Bad debt recovery (expense)	756	(169)	925	
Transactions NOI, Cash Basis	17,553	14,084	3,469	
Total NOI, Cash Basis	\$ 273,085	\$ 262,070	\$ 11,015	4.2 %

Three Months

Same-Asset NOI, Cash Basis increased by 3.0% for the three-month period primarily due to increased revenue from new leasing, higher rental rates on renewals, and contractual rent steps mainly in the retail and industrial portfolios.

Growth in Same-Asset NOI, Cash Basis for the three-month period was impacted by a property tax incentive recognized in the prior year in the mixed-use and residential portfolio. Excluding the mixed-use & residential portfolio, Same-Asset NOI growth was 3.8%.

Transactions NOI increased for the three-month period primarily due to the contribution from acquisitions and development transfers, partially offset by the foregone income from dispositions.

Retail Segment

For the periods ended March 31 (\$ thousands)	Three Months			
	2026	2025	Change \$	% Change
Rental revenue	\$ 280,348	\$ 270,378	\$ 9,970	3.7 %
Property operating costs excluding bad debt expense	(85,406)	(81,657)	(3,749)	4.6 %
Same-Asset NOI, Cash Basis excluding bad debt expense	194,942	188,721	6,221	3.3 %
Bad debt recovery	39	243	(204)	n/a
Same-Asset NOI, Cash Basis	194,981	188,964	6,017	3.2 %
Transactions NOI excluding bad debt expense	6,873	7,449	(576)	
Bad debt recovery (expense)	27	(53)	80	
Transactions NOI, Cash Basis	6,900	7,396	(496)	
Total NOI, Cash Basis	\$ 201,881	\$ 196,360	\$ 5,521	

Three Months

Same-Asset NOI, Cash Basis for the retail segment increased by 3.2% for the three-month period primarily due to increased revenue from higher rental rates on renewals, new leasing, and contractual rent steps.

Transactions NOI for the retail segment decreased for the three-month period primarily due to the foregone income from dispositions, partially offset by the contribution from acquisitions and development transfers.

Industrial Segment

For the periods ended March 31 (\$ thousands)	Three Months			
	2026	2025	Change \$	% Change
Rental revenue	\$ 71,196	\$ 66,622	\$ 4,574	6.9 %
Property operating costs excluding bad debt expense	(18,908)	(17,245)	(1,663)	9.6 %
Same-Asset NOI, Cash Basis excluding bad debt expense	52,288	49,377	2,911	5.9 %
Bad debt expense	—	(120)	120	n/a
Same-Asset NOI, Cash Basis	52,288	49,257	3,031	6.2 %
Transactions NOI excluding bad debt expense	8,145	3,928	4,217	
Bad debt expense	(3)	(4)	1	
Transactions NOI, Cash Basis	8,142	3,924	4,218	
Total NOI, Cash Basis	\$ 60,430	\$ 53,181	\$ 7,249	

Three Months

Same-Asset NOI, Cash Basis for the industrial segment increased by 6.2% for the three-month period primarily due to increased revenue from contractual rent steps, higher rental rates on renewals, and new leasing.

Transactions NOI for the industrial segment increased for the three-month period primarily due to the contribution from acquisitions and development transfers, partially offset by the foregone income from dispositions.

Mixed-Use & Residential Segment

For the periods ended March 31 (\$ thousands)	Three Months			
	2026	2025	Change \$	% Change
Rental revenue	\$ 13,779	\$ 13,715	\$ 64	0.5 %
Property operating costs excluding bad debt expense	(5,488)	(3,880)	(1,608)	41.4 %
Same-Asset NOI, Cash Basis excluding bad debt expense	8,291	9,835	(1,544)	(15.7)%
Bad debt expense	(28)	(70)	42	n/a
Same-Asset NOI, Cash Basis	8,263	9,765	(1,502)	(15.4)%
Transactions NOI excluding bad debt expense	1,779	2,876	(1,097)	
Bad debt recovery (expense)	732	(112)	844	
Transactions NOI, Cash Basis	2,511	2,764	(253)	
Total NOI, Cash Basis	\$ 10,774	\$ 12,529	\$ (1,755)	

Three Months

Same-Asset NOI, Cash Basis for the mixed-use & residential segment decreased by 15.4% for the three-month period primarily due to the impact of a \$1.4 million property tax incentive recognized in the prior year.

7.3 Other Key Performance Indicators

FFO⁽¹⁾ and AFFO⁽¹⁾ are included in the Trust's summary of key performance indicators. See Section 14, "Non-GAAP Financial Measures", of this MD&A for details on how these measures are defined, calculated and reconciled to GAAP financial measures and why management uses these measures. FFO⁽¹⁾ and AFFO⁽¹⁾ are summarized below for the periods ended as indicated:

For the periods ended March 31 (\$ thousands except where otherwise indicated)	Three Months		
	2026	2025	Change \$
Funds from Operations ⁽¹⁾	\$ 196,020	\$ 190,939	\$ 5,081
FFO ⁽¹⁾ per unit basic	\$ 0.271	\$ 0.264	\$ 0.007
FFO ⁽¹⁾ per unit diluted	\$ 0.271	\$ 0.264	\$ 0.007
FFO ⁽¹⁾ payout ratio - diluted	71.4 %	72.3 %	(0.9)%
Adjusted Funds from Operations ⁽¹⁾	\$ 178,914	\$ 180,265	\$ (1,351)
AFFO ⁽¹⁾ per unit basic	\$ 0.247	\$ 0.249	\$ (0.002)
AFFO ⁽¹⁾ per unit diluted	\$ 0.247	\$ 0.249	\$ (0.002)
AFFO ⁽¹⁾ payout ratio - diluted	78.2 %	76.6 %	1.6 %
Distribution declared per unit	\$ 0.193	\$ 0.191	\$ 0.002
Weighted average number of units outstanding - basic ⁽ⁱ⁾	723,810,797	723,770,677	40,120
Weighted average number of units outstanding - diluted ⁽ⁱ⁾	723,810,797	723,770,677	40,120
Number of units outstanding, end of period ⁽ⁱ⁾	723,810,797	723,810,797	—

(i) Includes Trust Units and Exchangeable Units.

Funds from Operations ("FFO")⁽¹⁾

FFO⁽¹⁾ is calculated in accordance with the Real Property Association of Canada's *Funds from Operations & Adjusted Funds from Operations for IFRS* issued in January 2022. From time to time the Trust may enter into transactions that materially impact the calculation of FFO⁽¹⁾ and accordingly the impact of these items are excluded from the calculation for management's review purposes. Refer to Section 14.2, "Funds from Operations" for a reconciliation of FFO⁽¹⁾ to net loss determined in accordance with GAAP.

Three Months

FFO⁽¹⁾ per unit diluted increased by 2.7% for the three-month period. The increase was primarily due to higher net operating income and lease surrender revenue, partially offset by higher interest expense, lower investment income as a result of the reduction in Allied's distribution, higher general and administrative expenses and lower fee income.

FFO⁽¹⁾ per unit diluted for the three-month period was impacted by higher lease surrender revenue of \$1.9 million in the current year period and a reduction in Allied's distribution of \$3.2 million. Excluding these items, FFO⁽¹⁾ per unit diluted for the three-month period increased by \$0.009 or 3.5%.

Adjusted Funds from Operations ("AFFO")⁽¹⁾

AFFO⁽¹⁾ is calculated in accordance with the Real Property Association of Canada's *Funds from Operations & Adjusted Funds from Operations for IFRS* issued in January 2022. From time to time the Trust may enter into transactions that materially impact the calculation of AFFO⁽¹⁾ and accordingly the impact of these items are excluded from the calculation for management's review purposes. AFFO⁽¹⁾ is impacted by the seasonality inherent in the timing of executing capital projects. Refer to Section 14.3, "Adjusted Funds from Operations" for a reconciliation of AFFO⁽¹⁾ to net income determined in accordance with GAAP.

Three Months

AFFO⁽¹⁾ decreased for the three months primarily due to higher maintenance capital spend in the current year, partially offset by the increase in FFO.

Capital Expenditures

For the periods ended March 31 (\$ thousands)	Three Months		
	2026	2025	Change \$
Property capital	\$ 5,817	\$ 1,392	\$ 4,425
Direct leasing costs	1,492	1,611	(119)
Tenant improvements	4,309	4,262	47
Total operating capital expenditures, proportionate share basis⁽¹⁾	\$ 11,618	\$ 7,265	\$ 4,353
Building Improvements	844	400	444
Development capital and capitalized interest	21,942	44,182	(22,240)
Total capital expenditures, proportionate share basis⁽¹⁾	\$ 34,404	\$ 51,847	\$ (17,443)

Operating Capital

Property capital expenditures incurred to sustain the existing GLA for investment properties are considered to be operational and are deducted in the calculation of AFFO⁽¹⁾ and ACFO⁽¹⁾. During the three months ended March 31, 2026, Choice Properties incurred \$5,817 of property capital expenditures, which may be recoverable from tenants under the terms of their leases over the useful life of the improvements (March 31, 2025 - \$1,392). The increase in property capital expenditures for the three months was due to the nature and volume of capital projects in the current year. Recoverable capital improvements may include items such as parking lot resurfacing and roof replacements. These items are recorded as part of investment properties and the recoveries from tenants are recorded as revenue.

Capital expenditures for leasing activities, such as direct leasing costs or leasing commissions, and tenant improvement allowances are considered to be operational and are deducted in the calculation of AFFO⁽¹⁾ and ACFO⁽¹⁾. Leasing capital expenditures vary with tenant demand and the balance between new and renewal leasing, as capital expenditures relating to securing new tenants are generally higher than the cost for renewing existing tenants.

Choice Properties endeavours to fund operating capital requirements from cash flows from operations.

Building Improvements and Development Capital

Building improvements expenditures, which are considered revenue enhancing in nature, are incurred for the expansion and/or improvement of existing income producing properties to increase their revenue generating ability.

Development capital expenditures are incurred primarily for properties classified as under development. Costs capitalized in development capital include: permit and other municipal fees, architectural fees, hard construction costs, payments to tenants under lease obligations for construction allowances that revert to the Trust upon vacancy, site intensification payments, project and development management fees, directly attributable costs of internal team members, professional fees, and property taxes.

Directly attributable borrowing costs associated with acquiring or constructing a qualifying development property are also capitalized. Capitalization of borrowing costs commences when the activities necessary to prepare an asset for development or redevelopment begin, and ceases once the asset is substantially complete.

8. QUARTERLY RESULTS OF OPERATIONS

The following is a summary of selected consolidated financial information for each of the eight most recently completed quarters:

Selected Quarterly Information

(\$ thousands except where otherwise indicated)	First Quarter 2026	Fourth Quarter 2025	Third Quarter 2025	Second Quarter 2025	First Quarter 2025	Fourth Quarter 2024	Third Quarter 2024	Second Quarter 2024
Number of income producing properties	699	699	702	703	704	705	705	702
Gross leasable area (in millions of square feet) ⁽ⁱ⁾	68.5	68.5	68.1	68.1	67.2	67.2	66.2	65.9
Occupancy	98.1 %	98.2 %	98.0 %	97.8 %	97.7 %	97.6 %	97.7 %	98.0 %
Rental revenue (GAAP)	\$ 361,192	\$ 354,444	\$ 362,486	\$ 350,779	\$ 346,912	\$ 344,861	\$ 339,898	\$ 335,388
Net (loss) income	\$ (87,194)	\$ (53,357)	\$ 242,649	\$ (154,247)	\$ (96,233)	\$ 791,916	\$ (662,989)	\$ 513,231
Net (loss) income per unit	\$ (0.120)	\$ (0.074)	\$ 0.335	\$ (0.213)	\$ (0.133)	\$ 1.094	\$ (0.916)	\$ 0.709
Net (loss) income per unit - diluted	\$ (0.120)	\$ (0.074)	\$ 0.335	\$ (0.213)	\$ (0.133)	\$ 1.094	\$ (0.916)	\$ 0.709
Net operating income, cash basis ⁽¹⁾	\$ 273,085	\$ 271,444	\$ 270,734	\$ 268,399	\$ 262,070	\$ 259,966	\$ 255,952	\$ 256,568
FFO ⁽¹⁾	\$ 196,020	\$ 189,922	\$ 201,416	\$ 191,567	\$ 190,939	\$ 188,220	\$ 186,647	\$ 184,714
FFO ⁽¹⁾ per unit - diluted	\$ 0.271	\$ 0.262	\$ 0.278	\$ 0.265	\$ 0.264	\$ 0.260	\$ 0.258	\$ 0.255
AFFO ⁽¹⁾	\$ 178,914	\$ 145,471	\$ 139,054	\$ 166,945	\$ 180,265	\$ 109,326	\$ 165,876	\$ 176,600
AFFO ⁽¹⁾ per unit - diluted	\$ 0.247	\$ 0.201	\$ 0.192	\$ 0.231	\$ 0.249	\$ 0.151	\$ 0.229	\$ 0.244
Distribution declared per unit	\$ 0.193	\$ 0.193	\$ 0.193	\$ 0.193	\$ 0.191	\$ 0.190	\$ 0.190	\$ 0.190
NAV ⁽¹⁾ per unit	\$ 14.53	\$ 14.43	\$ 14.53	\$ 14.38	\$ 14.17	\$ 14.07	\$ 14.04	\$ 13.79
Market price per unit - closing	\$ 15.36	\$ 14.91	\$ 14.70	\$ 14.87	\$ 13.95	\$ 13.35	\$ 15.13	\$ 12.84
Number of units outstanding, period end	723,810,797	723,810,797	723,810,797	723,810,797	723,810,797	723,710,497	723,710,497	723,646,497
Adjusted debt to total assets ⁽¹⁾⁽ⁱⁱ⁾	40.9 %	40.5 %	40.6 %	40.8 %	40.6 %	40.0 %	40.0 %	42.2 %
Debt service coverage ⁽¹⁾⁽ⁱⁱ⁾	3.0x	2.9x	3.0x	3.0x	3.0x	3.0x	2.9x	3.0x

(i) Includes GLA that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases and GLA associated with Choice Properties' residential units.

(ii) The Exchangeable Units are excluded from the debt ratio calculations. The ratios are non-GAAP financial measures calculated based on the Trust Indentures, as supplemented.

Choice Properties' quarterly results are impacted by acquisition and disposition activity and the development of additional GLA. In addition, net loss is impacted by fluctuations in adjustments to fair value of Exchangeable Units, investment properties, investment in real estate securities, and unit-based compensation, and therefore are often not comparable from quarter to quarter.

9. RELATED PARTY TRANSACTIONS

Choice Properties' controlling unitholder is GWL, which, as at March 31, 2026, held either directly or indirectly, a 61.7% effective interest in the Trust through ownership of 50,661,415 Units and all the Exchangeable Units, which are economically equivalent to and exchangeable to Units. Choice Properties' ultimate parent is Wittington, the controlling shareholder of GWL. Wittington directly owns 10,910,000 of the Trust's Units. Galen G. Weston beneficially owns or controls, directly and indirectly, including through Wittington, approximately 59.5% of GWL's outstanding common shares. Galen G. Weston also beneficially owns 1,596,842 of the Trust's Units.

GWL is also the controlling shareholder of Loblaw, with ownership of 52.6% of outstanding common shares as at March 31, 2026 (December 31, 2025 - 52.6%). Therefore, Choice Properties is a related party of Loblaw by virtue of common control.

Loblaw represents approximately 57.4% of Choice Properties' rental revenue on a proportionate share basis⁽¹⁾ and 59.3% of its commercial GLA as at March 31, 2026 (December 31, 2025 - 57.3% and 59.4%, respectively).

Joint Ventures

On January 29, 2026, Wittington acquired the 50% ownership interest in the Grenville & Grosvenor development project from the Trust's co-owner. Following this transaction, Wittington and the Trust each hold a 50% ownership interest in a limited partnership that owns the development property. As a result of the transaction, the Trust derecognized its \$37,446 interest in the property and has recognized it as an investment in an equity accounted joint venture.

Lease Surrender Revenue

During the three months ended March 31, 2026, Choice Properties recognized \$1,118 of lease surrender revenue from Loblaw (March 31, 2025 - \$nil).

Services Agreement

During the three months ended March 31, 2026, GWL provided Choice Properties with corporate, administrative and other support services for an annualized cost of \$5,136 (2025 - \$4,988).

Strategic Alliance Agreement

The Strategic Alliance Agreement creates a series of rights and obligations between Choice Properties and Loblaw intended to establish a preferential and mutually beneficial business and operating relationship. The initial term of the Strategic Alliance Agreement expired on July 5, 2023. Upon expiry of the initial term, the Strategic Alliance Agreement renewed until July 5, 2033 or the date on which GWL and its affiliates own less than 50% of the Trust on a fully diluted basis. The Strategic Alliance Agreement provides Choice Properties with important rights that are expected to meaningfully contribute to the Trust's growth. Subject to certain exceptions, rights include:

- Choice Properties has the right of first offer to purchase any property in Canada that Loblaw seeks to sell;
- Loblaw is generally required to present shopping centre property acquisitions in Canada to Choice Properties to allow the Trust a right of first opportunity to acquire the property itself; and
- Choice Properties has the right to participate in future shopping centre developments involving Loblaw.

Included in certain investment properties acquired from Loblaw is excess land with development potential. In accordance with the Strategic Alliance Agreement, Choice Properties will compensate Loblaw, over time, with intensification payments, as Choice Properties pursues development, intensification or redevelopment of such excess land. The payments to Loblaw are calculated in accordance with a payment grid that takes into account the region, market ranking and type of use for the property.

Management Agreements

Choice Properties provides Wittington with property management services for jointly and wholly owned assets with third-party tenancies, development management services for jointly owned assets, and development consulting services on a fee for service basis.

Site Intensification Payments

Choice Properties compensated Loblaw with intensification payments of \$609 in connection with completed gross leasable area for which tenants took possession during the three months ended March 31, 2026 (March 31, 2025 - \$2,790).

Distributions on Exchangeable Units

GWL, directly or indirectly, holds all of the Exchangeable Units issued by Choice Properties Limited Partnership, a subsidiary of Choice Properties. During the three months ended March 31, 2026, distributions declared on the Exchangeable Units totalled \$76,519 (March 31, 2025 - \$75,529).

As at March 31, 2026, Choice Properties had distributions on Exchangeable Units payable to GWL of \$101,915 (December 31, 2025 - \$329,162).

Notes Receivable

Holders of Exchangeable Units may, in lieu of receiving all or a portion of their distributions, choose to be loaned an amount from Choice Properties Limited Partnership, and to have such distributions made on the first business day following the end of the fiscal year in which such distribution would otherwise have been made. The loans do not bear interest and are due and payable in full on the first business day following the end of the fiscal year during which the loan was made. During the three months ended March 31, 2026, \$76,189 of notes were issued to GWL. In January 2026, notes totalling \$303,766 with respect to the loans issued in the 2025 fiscal year were settled against distributions payable by the Trust to GWL.

Trust Unit Distributions

During the three months ended March 31, 2026, Choice Properties declared cash distributions of \$9,795 on the Units held by GWL (March 31, 2025 - \$9,668). As at March 31, 2026, \$3,293 of Trust Unit distributions declared were payable to GWL (December 31, 2025- \$3,251).

During the three months ended March 31, 2026, Choice Properties declared cash distributions of \$2,109 on the Units held by Wittington (March 31, 2025 - \$nil). As at March 31, 2026, \$709 of Trust Unit distributions declared were payable to Wittington (December 31, 2025 - \$700).

10. INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the Trust is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure.

Management is also responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial reports for external purposes in accordance with IFRS Accounting Standards.

In designing such controls, it should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Additionally, management is required to use judgment in evaluating controls and procedures.

Changes in Internal Control over Financial Reporting

There were no changes in Choice Properties' internal controls over financial reporting in the first quarter of 2026 that materially affected or are reasonably likely to materially affect the Trust's internal control over financial reporting.

11. ENTERPRISE RISKS AND RISK MANAGEMENT

A detailed full set of risks applicable to the Choice Properties business are included in the Trust's AIF for the year ended December 31, 2025 and MD&A in the 2025 Annual Report, which are hereby incorporated by reference. The 2025 Annual Report and AIF are available online on www.sedarplus.ca. The risks and risk management strategies included in the AIF and Annual Report remain unchanged.

12. ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG")

Environmental, Social and Governance ("ESG") considerations are integrated into the Trust's day-to-day business activities, and are aligned with the Trust's purpose of creating enduring value through places where people thrive. ESG principles are embedded in the Trust's corporate strategy, which prioritizes maintaining a market-leading portfolio, sustaining operational excellence and executing on its development pipeline.

The Board oversees the Trust's ESG program, with the Trust's President and Chief Executive Officer as the executive sponsor.

Reporting and Disclosure

As part of the Trust's continued efforts to enhance communication with its stakeholder community, it publishes an annual ESG Report, which is available on the Trust's website at www.choicereit.ca. The ESG Report is overseen by the Board and the controls related to the Trust's ESG disclosures are reviewed by the Audit Committee. The Trust also engages a third party to provide limited assurance on the energy, water, waste and GHG emission statements in the ESG Report. The ESG Report is not incorporated by reference in the MD&A.

The Trust has a robust governance framework in place, elements of which are discussed in the Management Proxy Circular, available on the Trust's website at www.choicereit.ca, including the section titled "Statement of Governance Practices."

13. OUTLOOK⁽²⁾

We are focused on capital preservation, delivering stable and growing cash flows and net asset value appreciation. Our high-quality portfolio is primarily leased to necessity-based tenants and logistics providers, who are less sensitive to economic volatility and therefore provide stability to our overall portfolio. We will continue to advance our development program, with a focus on commercial developments, which provides us with the best opportunity to add high-quality real estate to our portfolio at a reasonable cost and drive net asset value appreciation over time.

We are confident that our business model, stable tenant base, strong balance sheet, and disciplined approach to financial management will continue to benefit us. We cannot predict the timing of the closing of the Transaction with FCR and KingSett, and its impact on our financial results. In 2026, excluding this impact, Choice Properties is targeting:

- Stable occupancy across the portfolio, resulting in approximately 2%-3% year-over-year growth in Same-Asset NOI, Cash Basis⁽¹⁾;
- Annual FFO per unit diluted⁽¹⁾ in a range of approximately \$1.08 to \$1.10; and
- Strong leverage metrics, targeting Adjusted Debt to EBITDAFV⁽¹⁾ below 7.5x.

14. NON-GAAP FINANCIAL MEASURES

The financial statements of Choice Properties are prepared in accordance with GAAP. However, in this MD&A, a number of measures are presented that do not have any standardized meaning under GAAP. Such measures and related per-unit amounts therefore should not be construed as alternatives to net income or cash flows from operating activities determined in accordance with GAAP and may not be comparable to similar measures presented by other real estate investment trusts or enterprises. These terms are defined below and are cross referenced, as applicable, to a reconciliation elsewhere in this MD&A to the most comparable GAAP measure. Choice Properties believes these non-GAAP financial measures and ratios provide useful information to both management and investors in measuring the financial performance and financial condition of the Trust for the reasons outlined below.

Proportionate share represents financial information adjusted to reflect the Trust's equity accounted joint ventures and financial real estate assets and its share of net income (loss) from equity accounted joint ventures and financial real estate assets on a proportionately consolidated basis at the Trust's ownership percentage of the related investment. Management views this method as relevant in demonstrating the Trust's ability to manage the underlying economics of the related investments, including the financial performance and cash flows and the extent to which the underlying assets are leveraged, which is an important component of risk management.

A reconciliation is provided in Section 2, "Balance Sheet," and Section 7.1, "Net Income and Segment NOI Reconciliation."

Net Operating Income ("NOI"), Accounting Basis is defined as property rental revenue including straight-line rental revenue, reimbursed contract revenue and lease surrender revenue, less direct property operating expenses and realty taxes, and excludes certain expenses such as interest expense and indirect operating expenses in order to provide results that reflect a property's operations before consideration of its financing or the costs of operating the entity in which it is held. Management believes that NOI is an important measure of operating performance for the Trust's commercial real estate assets that is used by real estate industry analysts, investors and management, while also being a key input in determining the fair value of the Choice Properties portfolio.

A reconciliation is provided in Section 7.1, "Net Income and Segment NOI Reconciliation."

NOI, Cash Basis is defined as property rental revenue and reimbursed contract revenue, excluding straight-line rental revenue and lease surrender revenue, less direct property operating expenses and realty taxes, and excludes certain expenses such as interest expense and indirect operating expenses in order to provide results that reflect a property's operations before consideration of its financing or the costs of operating the entity in which it is held. Management believes NOI, Cash Basis is a useful measure in understanding period-over-period changes in income from operations due to occupancy, rental rates, operating costs and realty taxes.

A reconciliation is provided in Section 7.1, "Net Income and Segment NOI Reconciliation" and Section 14.1, "Net Operating Income."

Same-Asset NOI, Cash Basis and Same-Asset NOI, Accounting Basis

Same-Asset NOI is used to evaluate the period-over-period performance of those commercial properties and stabilized residential properties, owned and operated by Choice Properties since January 1, 2025, inclusive. NOI from properties that have been (i) purchased, (ii) disposed, (iii) subject to significant change as a result of new development, redevelopment, expansion, or demolition, or (iv) residential properties not yet stabilized (collectively, "Transactions") are excluded from the determination of Same-Asset NOI.

Same-Asset NOI, Cash Basis, is useful in evaluating the realization of contractual rental rate changes embedded in lease agreements and/or the expiry of rent-free periods, while also being a useful measure in understanding period-over-period changes in NOI due to occupancy, rental rates, operating costs and realty taxes, before considering the changes in NOI that can be attributed to Transactions and development activities.

A reconciliation is provided in Section 7.2, "Net Operating Income Summary."

Funds from Operations (“FFO”) is calculated in accordance with the Real Property Association of Canada’s (“REALPAC”) Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO) for IFRS issued in January 2022. Management considers FFO to be a useful measure of operating performance as it adjusts for items included in net income (or loss) that do not arise from operating activities or do not necessarily provide an accurate depiction of the Trust’s past or recurring performance, such as adjustments to fair value of Exchangeable Units, investment properties, investment in real estate securities, and unit-based compensation. From time to time, the Trust may enter into transactions that materially impact the calculation and are eliminated from the calculation for management’s review purposes. Management uses and believes that FFO is a useful measure of the Trust’s performance that, when compared period over period, reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and realty taxes, acquisition activities and interest costs.

A reconciliation is provided in Section 14.2, “Funds from Operations” and Section 14.7, “Selected Information for Comparative Purposes.”

Adjusted Funds from Operations (“AFFO”) is calculated in accordance with REALPAC’s Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO) for IFRS issued in January 2022. Management considers AFFO to be a useful measure of operating performance as it further adjusts FFO for capital expenditures that sustain income producing properties and eliminates the impact of straight-line rental revenue. AFFO is impacted by the seasonality inherent in the timing of executing property capital projects. In calculating AFFO, FFO is adjusted to exclude straight-line rental revenue, and deduct expenditure relating to internal leasing activities and property capital projects. Working capital changes, viewed as short-term cash requirements or surpluses are deemed financing activities pursuant to the methodology and are not considered when calculating AFFO. Capital expenditures which are not deducted in the calculation of AFFO comprise those which generate a new investment stream, such as constructing a new retail pad during property expansion or intensification, development activities or acquisition activities. Accordingly, AFFO differs from FFO in that AFFO excludes from its definition certain non-cash revenues and expenses recognized under GAAP, such as straight-line rental revenue, but also includes capital and leasing costs incurred during the period which are capitalized for GAAP purposes. From time to time, the Trust may enter into transactions that materially impact the calculation and are eliminated from the calculation for management’s review purposes.

A reconciliation is provided in Section 14.3, “Adjusted Funds from Operations” and Section 14.7, “Selected Information for Comparative Purposes.”

Adjusted Cash Flow from Operations (“ACFO”) is calculated in accordance with REALPAC’s Adjusted Cashflow from Operations (ACFO) for IFRS issued in January 2023. Management views ACFO as a useful measure of the cash generated from operations after providing for operating capital requirements, and in evaluating the ability of Choice Properties to fund distributions to Unitholders. ACFO adjusts cash flows from operations as calculated under GAAP including, but not limited to, removing the effects of distributions on Exchangeable Units, deducting amounts for property capital expenditures to sustain existing GLA and for leasing capital expenditures. The resulting ACFO will include the impact of the seasonality of property capital expenditures and the impact of fluctuations from normal operating working capital, such as changes to net rent receivable from tenants, trade accounts payable and accrued liabilities. From time to time, the Trust may enter into transactions that materially impact the calculation and are eliminated from the calculation for management’s review purposes.

A reconciliation is provided in Section 14.4, “Adjusted Cash Flow from Operations.”

FFO, AFFO and ACFO Payout Ratios are supplementary measures used by Management to assess the sustainability of the Trust’s distribution payments. The ratios are calculated using cash distributions declared divided by FFO, AFFO or ACFO, as applicable.

A reconciliation is provided in Section 7.3, “Other Key Performance Indicators.”

Earnings before Interest, Taxes, Depreciation, Amortization and Fair Value (“EBITDAFV”) is defined as net income (loss) attributable to Unitholders, reversing, where applicable, income taxes, interest expense, amortization expense, depreciation expense, adjustments to fair value and other adjustments on a proportionate share basis as allowed in the Trust Indentures, as supplemented. Management believes EBITDAFV is useful in assessing the Trust’s ability to service its debt, finance capital expenditures and provide distributions to its Unitholders.

A reconciliation is provided in Section 14.6, “Earnings before Interest, Taxes, Depreciation, Amortization and Fair Value.”

Cash Retained after Distributions calculated as ACFO less cash distributions declared. It represents the portion of ACFO retained within Choice Properties which can be used to invest in new acquisitions, development properties and capital activity.

A reconciliation is provided in Section 4.4, “Distribution Excess / Shortfall Analysis.”

Total Adjusted Debt is defined as variable rate debt (construction loans, mortgages, and credit facility) and fixed rate debt (senior unsecured debentures, construction loans and mortgages), as measured on a proportionate share basis, and does not include the Exchangeable Units which are included as part of unit equity on account of the Exchangeable Units being economically equivalent and receiving equal distributions to the Trust Units. Total Adjusted Debt is presented on a net basis to include the impact of other finance charges such as debt placement costs and discounts or premiums, and defeasance or other prepayments of debt.

A reconciliation is provided in Section 4.5, “Components of Total Adjusted Debt.”

Net Asset Value (“NAV”) is an alternative measurement of equity. It is calculated by summing Unitholder’s Equity and the fair value of the Trust’s Exchangeable Units. Under GAAP, the Exchangeable Units are considered debt. The Exchangeable Units are not required to be repaid and the holder of these units has the right to convert them into Units, therefore management considers the Exchangeable Units to be equivalent to equity. NAV is a useful measure as it reflects management’s view of the intrinsic value of the Trust. NAV per unit allows management to determine if the Trust is trading at a discount or premium to its intrinsic value.

A reconciliation is provided in Section 4.9, “Net Asset Value.”

Adjusted Debt to Total Assets is determined by dividing Total Adjusted Debt (as defined above) by total assets as presented on a proportionate share basis⁽¹⁾ and can be interpreted as the proportion of the Trust’s assets that are financed by debt. Management believes this ratio is useful in evaluating the Trust’s flexibility to incur additional financial leverage.

A reconciliation is provided in Section 4.6, “Financial Condition” and Section 14.7, “Selected Information for Comparative Purposes.”

Debt Service Coverage is calculated as EBITDAFV divided by interest expense on the Total Adjusted Debt and all regularly scheduled principal payments made with respect to indebtedness during such period (other than any balloon, bullet or similar principal payable at maturity or which repays such indebtedness in full). This ratio is calculated based on the Trust Indentures, as supplemented. Management believes this ratio is useful in determining the ability of Choice Properties to service the interest and principal installment requirements of its outstanding debt.

A reconciliation is provided in Section 4.6, “Financial Condition” and Section 14.7, “Selected Information for Comparative Purposes.”

Adjusted Debt to EBITDAFV and Adjusted Debt to EBITDAFV, net of cash are calculated as Total Adjusted Debt divided by EBITDAFV. This ratio is used to assess the financial leverage of Choice Properties, measure its ability to meet financial obligations, and provide a snapshot of its balance sheet strength. Management also presents this ratio with Total Adjusted Debt calculated net of cash and cash equivalents at the measurement date.

A reconciliation is provided in Section 4.6, “Financial Condition.”

Interest Coverage is calculated as EBITDAFV divided by interest expense on the Total Adjusted Debt incurred by Choice Properties for the period. This ratio is useful in determining Choice Properties’ ability to service the interest requirements of its outstanding debt.

A reconciliation is provided in Section 4.6, “Financial Condition.”

Liquidity is calculated based on the sum of total cash and cash equivalents on a proportionate share basis and the undrawn portion of the revolving unsecured operating line of credit.

A reconciliation is provided in Section 4, “Liquidity and Capital Resources” and Section 4.1, “Liquidity and Capital Structure.”

14.1 Net Operating Income

The following table reconciles net loss, as determined in accordance with GAAP, to Net Operating Income, Cash Basis for the periods ended as indicated. Refer to Section 7, “Results of Operations - Segment Information” and Section 14, “Non-GAAP Financial Measures” for further details about this non-GAAP measure.

For the periods ended March 31 (\$ thousands)	Three Months		
	2026	2025	Change \$
Net Loss	\$ (87,194)	\$ (96,233)	\$ 9,039
Interest income	(11,009)	(11,661)	652
Investment income	(2,126)	(5,315)	3,189
Fee income	(1,167)	(2,470)	1,303
Net interest expense and other financing charges	150,063	146,189	3,874
General and administrative expenses	16,058	14,737	1,321
Share of income from equity accounted joint ventures	2,765	(16,155)	18,920
Amortization of intangible assets	250	250	—
Adjustment to fair value of unit-based compensation	296	18	278
Adjustment to fair value of Exchangeable Units	217,683	237,472	(19,789)
Adjustment to fair value of investment properties	(79,003)	(29,958)	(49,045)
Adjustment to fair value of investment in real estate securities	49,480	8,974	40,506
Income tax expense	1	1	—
Net Operating Income, Accounting Basis - GAAP	256,097	245,849	10,248
Straight-line rental revenue	1,104	367	737
Lease surrender revenue	(1,926)	(84)	(1,842)
Net Operating Income, Cash Basis - GAAP	255,275	246,132	9,143
Adjustments for equity accounted joint ventures and financial real estate assets	17,810	15,938	1,872
Net Operating Income, Cash Basis - Proportionate Share	\$ 273,085	\$ 262,070	\$ 11,015

14.2 Funds from Operations

The following table reconciles net loss, as determined in accordance with GAAP, to Funds from Operations for the periods ended as indicated. Refer to Section 7, “Results of Operations - Segment Information” and Section 14, “Non-GAAP Financial Measures” for further details about this non-GAAP measure.

For the periods ended March 31 (\$ thousands except where otherwise indicated)	Three Months		
	2026	2025	Change \$
Net Loss	\$ (87,194)	\$ (96,233)	\$ 9,039
Add (deduct) impact of the following:			
Amortization of intangible assets	250	250	—
Adjustment to fair value of unit-based compensation	296	18	278
Adjustment to fair value of Exchangeable Units	217,683	237,472	(19,789)
Adjustment to fair value of investment properties	(79,003)	(29,958)	(49,045)
Adjustment to fair value of investment properties to proportionate share	12,575	(10,020)	22,595
Adjustment to fair value of investment in real estate securities	49,480	8,974	40,506
Interest otherwise capitalized for development in equity accounted joint ventures	2,594	2,496	98
Distributions on Exchangeable Units ⁽ⁱ⁾	76,519	75,529	990
Internal expenses for leasing	2,819	2,410	409
Income tax expense	1	1	—
Funds from Operations	\$ 196,020	\$ 190,939	\$ 5,081
FFO per unit - diluted	\$ 0.271	\$ 0.264	\$ 0.007
FFO payout ratio - diluted ⁽ⁱⁱ⁾	71.4 %	72.3 %	(0.9)%
Distribution declared per unit	\$ 0.193	\$ 0.191	\$ 0.002
Weighted average number of units outstanding - diluted ⁽ⁱⁱⁱ⁾	723,810,797	723,770,677	40,120

(i) Represents interest on indebtedness due to GWL.

(ii) FFO payout ratio is calculated as cash distributions declared divided by FFO.

(iii) Includes Trust Units and Exchangeable Units.

FFO as calculated on a proportionate share basis:

For the periods ended March 31 (\$ thousands except where otherwise indicated)	Three Months		
	2026	2025	Change \$
Net Operating Income, Cash Basis	\$ 273,085	\$ 262,070	\$ 11,015
Straight-line rental revenue	2,669	999	1,670
Lease surrender revenue	2,027	84	1,943
Net Operating Income, Accounting Basis	277,781	263,153	14,628
Interest income	6,525	7,351	(826)
Investment income	2,126	5,315	(3,189)
Fee income	1,167	2,470	(1,303)
Net interest expense and other financing charges	(157,453)	(153,048)	(4,405)
Distributions on Exchangeable Units ⁽ⁱ⁾	76,519	75,529	990
Interest otherwise capitalized for development in equity accounted joint ventures	2,594	2,496	98
General and administrative expenses	(16,058)	(14,737)	(1,321)
Internal expenses for leasing	2,819	2,410	409
Funds from Operations	\$ 196,020	\$ 190,939	\$ 5,081
FFO per unit - diluted	\$ 0.271	\$ 0.264	\$ 0.007
FFO payout ratio - diluted ⁽ⁱⁱ⁾	71.4 %	72.3 %	(0.9)%
Distribution declared per unit	\$ 0.193	\$ 0.191	\$ 0.002
Weighted average number of units outstanding - diluted ⁽ⁱⁱⁱ⁾	723,810,797	723,770,677	40,120

(i) Represents interest on indebtedness due to GWL.

(ii) FFO payout ratio is calculated as cash distributions declared divided by FFO.

(iii) Includes Trust Units and Exchangeable Units.

14.3 Adjusted Funds from Operations

The following table reconciles FFO to AFFO for the periods ended as indicated. Refer to Section 7, “Results of Operations - Segment Information” and Section 14, “Non-GAAP Financial Measures” for further details about this non-GAAP measure.

For the periods ended March 31 (\$ thousands except where otherwise indicated)	Three Months		
	2026	2025	Change \$
Funds from Operations	\$ 196,020	\$ 190,939	\$ 5,081
Add (deduct) impact of the following:			
Internal expenses for leasing	(2,819)	(2,410)	(409)
Straight-line rental revenue	1,104	367	737
Straight-line rental revenue adjustment to proportionate share	(3,773)	(1,366)	(2,407)
Property capital	(5,418)	(429)	(4,989)
Direct leasing costs	(1,345)	(1,459)	114
Tenant improvements	(3,914)	(3,327)	(587)
Operating capital expenditures adjustment to proportionate share	(941)	(2,050)	1,109
Adjusted Funds from Operations	\$ 178,914	\$ 180,265	\$ (1,351)
AFFO per unit - diluted	\$ 0.247	\$ 0.249	\$ (0.002)
AFFO payout ratio - diluted ⁽ⁱ⁾	78.2 %	76.6 %	1.6 %
Distribution declared per unit	\$ 0.193	\$ 0.191	\$ 0.002
Weighted average number of units outstanding - diluted ⁽ⁱⁱ⁾	723,810,797	723,770,677	40,120

(i) AFFO payout ratio is calculated as cash distributions declared divided by AFFO.

(ii) Includes Trust Units and Exchangeable Units.

14.4 Adjusted Cash Flow from Operations

The following table reconciles cash flows from operating activities, as determined in accordance with GAAP, to ACFO for the periods ended as indicated. Refer to Section 4.3, "Adjusted Cash Flow from Operations" and Section 14, "Non-GAAP Financial Measures" for further details about this non-GAAP measure.

For the periods ended March 31 (\$ thousands except where otherwise indicated)	Three Months		
	2026	2025	Change \$
Cash Flows from Operating Activities	\$ 126,052	\$ 139,361	\$ (13,309)
Add (deduct) impact of the following:			
Net interest expense and other financing charges in excess of interest paid ⁽ⁱ⁾	(55,064)	(62,855)	7,791
Distributions on Exchangeable Units included in net interest expense and other financing charges	76,519	75,529	990
Interest and other income in excess of interest received ⁽ⁱⁱ⁾	2,903	(17,293)	20,196
Interest otherwise capitalized for development in equity accounted joint ventures	2,594	2,496	98
Portion of internal expenses for leasing relating to development activity	1,410	1,205	205
Adjustment for property capital expenditures on a proportionate share basis	(5,817)	(1,392)	(4,425)
Adjustment for leasing expenditures to a proportionate share basis	(542)	(1,087)	545
Adjustment for proportionate share of operating income from equity accounted joint ventures ⁽ⁱⁱⁱ⁾	9,810	6,135	3,675
Adjustment for distributions from equity accounted joint ventures	(2,495)	(7,130)	4,635
Adjustment for changes in non-cash working capital items not indicative of sustainable operating cash flows ^(iv)	25,336	41,211	(15,875)
Adjusted Cash Flow from Operations	180,706	176,180	4,526
Cash distributions declared	139,937	138,121	1,816
Cash Retained after Distributions	\$ 40,769	\$ 38,059	\$ 2,710
ACFO Payout Ratio^(iv)	77.4 %	78.4 %	(1.0)%

(i) The timing of the recognition of interest expense and income differs from the cash payment and collection.

(ii) Excludes adjustment to fair value of investment properties for equity accounted joint ventures.

(iii) ACFO is adjusted each quarter for fluctuations in non-cash working capital due to the timing of realty taxes prepaid or payable and prepaid insurance. The payments for these operating expenses tend to have quarterly, seasonal fluctuations that even out on an annual basis. ACFO is also adjusted each quarter to remove fluctuations in non-cash working capital, which are not related to sustainable operating activities.

(iv) ACFO payout ratio is calculated as the cash distributions declared divided by ACFO.

Based on the Real Property Association of Canada's *Adjusted Cashflow from Operations (ACFO) for IFRS* issued in January 2023, Choice Properties adjusts ACFO for amounts included in the net change in non-cash working capital, a component of cash flows from operating activities, to eliminate fluctuations that are not indicative of sustainable cash available for distribution. The resulting remaining impacts on ACFO from changes in non-cash working capital are calculated below:

For the periods ended March 31 (\$ thousands)	Three Months		
	2026	2025	Change \$
Net change in non-cash working capital ⁽ⁱ⁾	\$ (28,230)	\$ (47,612)	\$ 19,382
Adjustment for changes in non-cash working capital items not indicative of sustainable operating cash flows	25,336	41,211	(15,875)
Net non-cash working capital change included in ACFO	\$ (2,894)	\$ (6,401)	\$ 3,507

(i) As calculated and disclosed in the Trust's condensed consolidated financial statements.

14.5 Net Interest Expense and Other Financing Charges Reconciliation

The following tables reconcile net interest expense and other financing charges as determined in accordance with GAAP to net interest expense and other financing charges on a proportionate share basis⁽ⁱ⁾ for the periods ended as indicated:

For the three months ended March 31 (\$ thousands)	2026			2025		
	GAAP Basis	Adjustment to Proportionate Share Basis	Proportionate Share Basis	GAAP Basis	Adjustment to Proportionate Share Basis	Proportionate Share Basis
Interest on senior unsecured debentures	\$ 60,182	\$ —	\$ 60,182	\$ 55,902	\$ —	\$ 55,902
Interest on mortgages and construction loans	11,896	8,055	19,951	13,486	8,480	21,966
Interest on credit facility	908	—	908	1,174	—	1,174
Subtotal (for use in Debt Service Coverage calculation)	72,986	8,055	81,041	70,562	8,480	79,042
Distributions on Exchangeable Units ⁽ⁱ⁾	76,519	—	76,519	75,529	—	75,529
Subtotal (for use in EBITDAFV calculation)	149,505	8,055	157,560	146,091	8,480	154,571
Interest on right-of-use lease liabilities	9	—	9	10	—	10
Amortization of debt discounts and premiums	74	42	116	135	214	349
Amortization of debt placement costs	1,144	170	1,314	1,062	175	1,237
Capitalized interest	(669)	(877)	(1,546)	(1,109)	(2,010)	(3,119)
Net interest expense and other financing charges	\$ 150,063	\$ 7,390	\$ 157,453	\$ 146,189	\$ 6,859	\$ 153,048

(i) Represents interest on indebtedness due to GWL.

14.6 Earnings Before Interest, Taxes, Depreciation, Amortization and Fair Value

The following table reconciles net loss, as determined in accordance with GAAP, to EBITDAFV for the periods ended as indicated. Refer to Section 14, “Non-GAAP Financial Measures” for further details about this non-GAAP measure.

For the periods ended March 31 (\$ thousands)	Three Months		
	2026	2025	Change \$
Net Loss	\$ (87,194)	\$ (96,233)	\$ 9,039
Add (deduct) impact of the following:			
Adjustment to fair value of unit-based compensation	296	18	278
Adjustment to fair value of Exchangeable Units	217,683	237,472	(19,789)
Adjustment to fair value of investment properties	(79,003)	(29,958)	(49,045)
Adjustment to fair value of investment properties to proportionate share	12,575	(10,020)	22,595
Adjustment to fair value of investment in real estate securities	49,480	8,974	40,506
Interest expense on a proportionate share basis ⁽ⁱ⁾	157,560	154,571	2,989
Amortization of other assets	293	316	(23)
Amortization of intangible assets	250	250	—
Income tax expense	1	1	—
Earnings Before Interest, Taxes, Depreciation, Amortization and Fair Value (EBITDAFV)	\$ 271,941	\$ 265,391	\$ 6,550

(i) As calculated in Section 14.5, “Net Interest Expense and Other Financing Charges Reconciliation”.

14.7 Selected Information For Comparative Purposes

The following table reconciles net loss, as determined in accordance with GAAP, to Funds from Operations for the periods ended as indicated. Refer to Section 7, "Results of Operations - Segment Information" and Section 14, "Non-GAAP Financial Measures" for further details about this non-GAAP measure.

(\$ thousands except where otherwise indicated)	First Quarter 2026	Fourth Quarter 2025	Third Quarter 2025	Second Quarter 2025	First Quarter 2025	Fourth Quarter 2024	Third Quarter 2024	Second Quarter 2024	First Quarter 2024
Net (loss) income	\$ (87,194)	\$ (53,357)	\$ 242,649	\$ (154,247)	\$ (96,233)	\$ 791,916	\$ (662,989)	\$ 513,231	\$ 142,279
Amortization of intangible assets	250	250	250	250	250	250	250	250	250
Transaction costs and other related expenses	—	—	—	—	—	55	—	(38,615)	—
Adjustment to fair value of unit-based compensation	296	610	438	875	18	(1,927)	3,339	(1,288)	(781)
Adjustment to fair value of Exchangeable Units	217,683	43,536	(67,284)	364,124	237,472	(704,500)	906,351	(372,039)	(67,284)
Adjustment to fair value of investment properties	(79,003)	(2,212)	(18,676)	(93,486)	(29,958)	16,112	(82,173)	(28,035)	1,365
Adjustment to fair value of investment properties to proportionate share	12,575	31,053	5,371	2,451	(10,020)	(29,752)	(620)	2,493	2,195
Adjustment to fair value of investment in real estate securities	49,480	87,034	(42,277)	(9,093)	8,974	36,254	(57,983)	27,870	29,641
Interest otherwise capitalized for development in equity accounted joint ventures	2,594	2,264	2,295	2,340	2,496	2,975	3,119	3,069	2,508
Exchangeable Units distributions	76,519	76,189	76,189	76,189	75,529	75,199	75,199	75,199	74,540
Internal expenses for leasing	2,819	2,616	2,458	2,163	2,410	2,695	2,154	2,579	2,488
Income tax expense (recovery)	1	1,939	3	1	1	(1,057)	—	—	(12)
Funds from Operations	\$ 196,020	\$ 189,922	\$ 201,416	\$ 191,567	\$ 190,939	\$ 188,220	\$ 186,647	\$ 184,714	\$ 187,189
FFO per unit - diluted	\$ 0.271	\$ 0.262	\$ 0.278	\$ 0.265	\$ 0.264	\$ 0.260	\$ 0.258	\$ 0.255	\$ 0.259
FFO payout ratio - diluted ⁽ⁱ⁾	71.4 %	73.4 %	69.2 %	72.7 %	72.3 %	73.1 %	73.7 %	74.4 %	72.8 %
Distribution declared per unit	\$ 0.193	\$ 0.193	\$ 0.193	\$ 0.193	\$ 0.191	\$ 0.190	\$ 0.190	\$ 0.190	\$ 0.188
Weighted average number of units outstanding - diluted ⁽ⁱⁱ⁾	723,810,797	723,810,797	723,810,797	723,810,797	723,770,677	723,726,328	723,683,222	723,659,539	723,666,036

(i) FFO payout ratio is calculated as cash distributions declared divided by FFO.

(ii) Includes Trust Units and Exchangeable Units.

The following table reconciles FFO to AFFO for the periods ended as indicated. Refer to Section 7, “Results of Operations - Segment Information” and Section 14, “Non-GAAP Financial Measures” for further details about this non-GAAP measure.

(\$ thousands except where otherwise indicated)	First Quarter 2026	Fourth Quarter 2025	Third Quarter 2025	Second Quarter 2025	First Quarter 2025	Fourth Quarter 2024	Third Quarter 2024	Second Quarter 2024	First Quarter 2024
Funds from operations	\$ 196,020	\$ 189,922	\$ 201,416	\$ 191,567	\$ 190,939	\$ 188,220	\$ 186,647	\$ 184,714	\$ 187,189
Add (deduct) impact of the following:									
Internal expenses for leasing	(2,819)	(2,616)	(2,458)	(2,163)	(2,410)	(2,695)	(2,154)	(2,579)	(2,488)
Straight-line rental revenue	1,104	1,135	411	570	367	675	346	1,434	(261)
Straight-line rental revenue adjustment to proportionate share	(3,773)	(3,021)	(1,343)	(1,535)	(1,366)	(1,736)	(620)	(658)	(614)
Property capital	(5,418)	(27,341)	(41,688)	(12,171)	(429)	(61,315)	(11,890)	(2,606)	(4,394)
Direct leasing costs	(1,345)	(2,217)	(2,879)	(2,316)	(1,459)	(1,738)	(2,890)	(2,024)	(1,172)
Tenant improvements	(3,914)	(10,183)	(13,582)	(5,487)	(3,327)	(10,107)	(2,295)	(1,369)	(3,026)
Operating capital expenditures adjustment to proportionate share	(941)	(208)	(823)	(1,520)	(2,050)	(1,978)	(1,268)	(312)	(2,088)
Adjusted Funds from Operations	\$ 178,914	\$ 145,471	\$ 139,054	\$ 166,945	\$ 180,265	\$ 109,326	\$ 165,876	\$ 176,600	\$ 173,146
AFFO per unit - diluted	\$ 0.247	\$ 0.201	\$ 0.192	\$ 0.231	\$ 0.249	\$ 0.151	\$ 0.229	\$ 0.244	\$ 0.239
AFFO payout ratio - diluted ⁽ⁱ⁾	78.2 %	95.8 %	100.2 %	83.5 %	76.6 %	125.8 %	82.9 %	77.9 %	78.7 %
Weighted average number of units outstanding - diluted ⁽ⁱⁱ⁾	723,810,797	723,810,797	723,810,797	723,810,797	723,770,677	723,726,328	723,683,222	723,659,539	723,666,036

(i) AFFO payout ratio is calculated as cash distributions declared divided by AFFO.

(ii) Includes Trust Units and Exchangeable Units.

Components of certain financial leverage ratios

The following table includes the denominator applied to the calculation of Adjusted Debt to Total Assets ratio and Debt Service Coverage ratio for the periods indicated. Refer to section 4.6 “Financial Condition” and Section 14, “Non-GAAP Financial Measures” for further details about this non-GAAP measure.

	First Quarter 2026	Fourth Quarter 2025	Third Quarter 2025	Second Quarter 2025	First Quarter 2025	Fourth Quarter 2024	Third Quarter 2024	Second Quarter 2024	First Quarter 2024
Total Assets - Proportionate Basis	\$18,654,559	\$18,802,407	\$18,845,090	\$18,518,958	\$ 18,069,141	\$ 18,219,439	\$ 18,042,431	\$18,243,332	\$17,467,013
Debt Service Coverage Ratio - Denominator	\$ 90,525	\$ 92,344	\$ 93,318	\$ 89,251	\$ 88,815	\$ 87,597	\$ 89,641	\$ 83,587	\$ 82,312

Financial Statements

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Choice Properties Real Estate Investment Trust
Condensed Consolidated Balance Sheets

(unaudited) (in thousands of Canadian dollars)	Note	As at March 31, 2026	As at December 31, 2025
Assets			
Investment properties	5	\$ 15,850,000	\$ 15,758,000
Equity accounted joint ventures	6	994,790	961,678
Financial real estate assets	7	202,955	202,079
Residential development inventory		2,095	2,095
Mortgages, loans and notes receivable	8	403,905	645,432
Investment in real estate securities		108,408	157,888
Intangible assets		11,714	11,964
Accounts receivable and other assets	9	116,207	102,830
Cash and cash equivalents		34,759	71,180
Total Assets		\$ 17,724,833	\$ 17,913,146
Liabilities and Equity			
Long term debt	10	\$ 6,788,389	\$ 6,804,960
Credit facility	11	28,562	—
Exchangeable Units	12	6,079,281	5,861,598
Trade payables and other liabilities	13	394,033	661,779
Total Liabilities		13,290,265	13,328,337
Equity			
Unitholders' equity	12	4,434,568	4,584,809
Total Equity		4,434,568	4,584,809
Total Liabilities and Equity		\$ 17,724,833	\$ 17,913,146

Contingencies, Commitments, and Guarantees (Note 20).

Subsequent event (Note 22).

See accompanying notes to the unaudited interim period condensed consolidated financial statements.

Approved on behalf of the Board of Trustees

[signed]

Gordon A. M. Currie

Chair, Board of Trustees

[signed]

Diane Kazarian

Chair, Audit Committee

Choice Properties Real Estate Investment Trust
Condensed Consolidated Statements of Operations and Comprehensive Loss

(unaudited) (in thousands of Canadian dollars)	Note	Three Months	
		March 31, 2026	March 31, 2025
Net Rental Income			
Rental revenue	14	\$ 361,192	\$ 346,912
Property operating costs	15	(105,095)	(101,063)
		256,097	245,849
Other Income and Expenses			
Interest income		11,009	11,661
Investment income		2,126	5,315
Fee income		1,167	2,470
Net interest expense and other financing charges	16	(150,063)	(146,189)
General and administrative expenses		(16,058)	(14,737)
Share of income from equity accounted joint ventures	6	(2,765)	16,155
Amortization of intangible assets		(250)	(250)
Adjustment to fair value of unit-based compensation		(296)	(18)
Adjustment to fair value of Exchangeable Units	12	(217,683)	(237,472)
Adjustment to fair value of investment properties	5	79,003	29,958
Adjustment to fair value of investment in real estate securities		(49,480)	(8,974)
Loss Before Income Taxes		(87,193)	(96,232)
Income tax expense		(1)	(1)
Net Loss		\$ (87,194)	\$ (96,233)
Net Loss		\$ (87,194)	\$ (96,233)
Other Comprehensive (Loss) Income			
Unrealized gain (loss) on designated hedging instruments	17	371	(2,050)
Other Comprehensive (Loss) Income		371	(2,050)
Comprehensive Loss		\$ (86,823)	\$ (98,283)

See accompanying notes to the unaudited interim period condensed consolidated financial statements.

Choice Properties Real Estate Investment Trust
Condensed Consolidated Statements of Changes in Equity

(unaudited) (in thousands of Canadian dollars)	Attributable to Choice Properties' Unitholders				
	Trust Units	Cumulative net income	Accumulated other comprehensive income	Cumulative distributions to Unitholders	Total Unitholders' equity
Equity, December 31, 2025	\$ 3,658,693	\$ 3,098,935	\$ 2,574	\$ (2,175,393)	\$ 4,584,809
Net loss	—	(87,194)	—	—	(87,194)
Other comprehensive income	—	—	371	—	371
Distributions	—	—	—	(63,418)	(63,418)
Equity, March 31, 2026	\$ 3,658,693	\$ 3,011,741	\$ 2,945	\$ (2,238,811)	\$ 4,434,568

(unaudited) (in thousands of Canadian dollars)	Attributable to Choice Properties' Unitholders				
	Trust Units	Cumulative net income	Accumulated other comprehensive income	Cumulative distributions to Unitholders	Total Unitholders' equity
Equity, December 31, 2024	\$ 3,659,456	\$ 3,160,123	\$ 3,587	\$ (1,923,366)	\$ 4,899,800
Net loss	—	(96,233)	—	—	(96,233)
Other comprehensive loss	—	—	(2,050)	—	(2,050)
Distributions	—	—	—	(62,592)	(62,592)
Units issued under unit-based compensation arrangements	1,320	—	—	—	1,320
Reclassification of vested Unit-Settled Restricted Units liability to equity	1,696	—	—	—	1,696
Units repurchased for unit-based compensation arrangements	(3,713)	—	—	—	(3,713)
Equity, March 31, 2025	\$ 3,658,759	\$ 3,063,890	\$ 1,537	\$ (1,985,958)	\$ 4,738,228

See accompanying notes to the unaudited interim period condensed consolidated financial statements.

Choice Properties Real Estate Investment Trust
Condensed Consolidated Statements of Cash Flows

(unaudited) (in thousands of Canadian dollars)	Note	Three Months	
		March 31, 2026	March 31, 2025
Operating Activities			
Net loss		\$ (87,194)	\$ (96,233)
Net interest expense and other financing charges	16	150,063	146,189
Interest paid		(94,999)	(83,334)
Interest income		(11,009)	(11,661)
Interest received		8,106	28,954
Share of income from equity accounted joint ventures		2,765	(16,155)
Distributions from equity accounted joint ventures		2,495	7,130
Direct leasing costs and tenant improvement allowances	5	(5,259)	(4,786)
Cash paid on vesting of restricted and performance units		(2,143)	(2,055)
Items not affecting cash and other items	18(a)	191,457	218,924
Net change in non-cash working capital	18(b)	(28,230)	(47,612)
Cash Flows from Operating Activities		126,052	139,361
Investing Activities			
Acquisitions of investment properties	4	(28,499)	(33,697)
Additions to investment properties	5	(22,126)	(31,407)
Additions to financial real estate assets	7	(272)	(48)
Contributions to equity accounted joint ventures		(926)	(21,869)
Distribution of disposition proceeds from equity accounted joint ventures		—	27,903
Mortgages, loans and notes receivable advances		(77,828)	(96,565)
Mortgages, loans and notes receivable repayments		17,888	145,497
Proceeds from dispositions		—	35,955
Cash Flows (Used in) from Investing Activities		(111,763)	25,769
Financing Activities			
Proceeds from issuance of debentures, net		—	298,521
Repayments of debentures		—	(350,000)
Net repayments of mortgages payable	10	(17,566)	(7,217)
Net advances on construction loans		—	30
Advances on credit facility	11	30,000	—
Cash received on exercise of options		—	1,229
Repurchase of units for unit-based compensation arrangement		—	(3,713)
Distributions paid on Trust Units		(63,144)	(62,312)
Cash Flows used in Financing Activities		(50,710)	(123,462)
Change in cash and cash equivalents		(36,421)	41,668
Cash and cash equivalents, beginning of period		71,180	63,388
Cash and Cash Equivalents, End of Period		\$ 34,759	\$ 105,056

Supplemental disclosure of non-cash operating activities (Note 18).
See accompanying notes to the unaudited interim period condensed consolidated financial statements.

Note 1. Nature and Description of the Trust

Choice Properties Real Estate Investment Trust (“Choice Properties” or the “Trust”) is an unincorporated, open-ended mutual fund trust governed by the laws of the Province of Ontario and established pursuant to a declaration of trust amended and restated as of April 30, 2021, as may be amended from time to time (the “Declaration of Trust”). Choice Properties, Canada’s premier diversified real estate investment trust, is the owner, manager and developer of a high-quality portfolio of commercial retail, industrial, mixed-use and residential properties across Canada. The principal, registered, and head office of Choice Properties is located at 22 St. Clair Avenue East, Suite 700, Toronto, Ontario, M4T 2S5. Choice Properties’ trust units (“Trust Units” or “Units”) are listed on the Toronto Stock Exchange (“TSX”) and are traded under the symbol “CHP.UN”.

Choice Properties commenced operations on July 5, 2013, when it issued Units and debt for cash pursuant to an initial public offering (the “IPO”) and completed the acquisition of 425 properties from Loblaw Companies Limited and its subsidiaries (“Loblaw”). Pursuant to a reorganization transaction on November 1, 2018, Loblaw spun out its 61.6% effective interest in Choice Properties to George Weston Limited (“GWL”). As at March 31, 2026, GWL held either directly or indirectly, a 61.7% effective interest in Choice Properties. Choice Properties’ ultimate parent is Wittington Investments, Limited (“Wittington”).

The principal subsidiaries of the Trust included in Choice Properties’ condensed consolidated financial statements are Choice Properties Limited Partnership (the “Partnership”), Choice Properties GP Inc. (the “General Partner”) and CPH Master Limited Partnership (“CPH Master LP”).

Note 2. Material Accounting Policy Information

The material accounting policies and critical accounting estimates and judgments as disclosed in the 2025 audited annual consolidated financial statements for Choice Properties have been applied consistently in the preparation of these condensed consolidated financial statements, with the exception of the adoption of the amendments to IFRS 7 and IFRS 9 (Note 3). The condensed consolidated financial statements are presented in Canadian dollars.

Statement of Compliance

The condensed consolidated financial statements of Choice Properties are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards” or “GAAP”) and International Accounting Standard 34, “Interim Financial Reporting”. These condensed consolidated financial statements should be read in conjunction with the Trust’s audited consolidated financial statements and accompanying notes for the year ended December 31, 2025.

These condensed consolidated financial statements were authorized for issuance by the Board of Trustees (“Board”) for Choice Properties on April 29, 2026.

Note 3. Accounting Standards

Amendments to IFRS 9 and IFRS 7

In May 2024, amendments to IFRS 9, “Financial Instruments” and IFRS 7, “Financial Instruments: Disclosures” were issued. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. In addition the amendments clarify the classification of financial assets with features linked to environmental, social and corporate governance. The amendments also require additional disclosures for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments are effective for annual reporting periods beginning on or after January 1, 2026. The adoption of these amendments did not have a material impact on the Trust’s condensed consolidated financial statements.

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

Note 4. Investment Property and Other Transactions

The following table summarizes the investment properties acquired in the three months ended March 31, 2026:

(\$ thousands except where otherwise indicated)

Property / Location	Date of Acquisition	Segment	Ownership Interest Acquired	Purchase Price	Purchase Price incl. Related Costs	Consideration
						Cash
Investment properties						
Acquisition from third parties						
6405 Sherbrooke St. W, Montreal, QC	Jan 7	Retail	100%	13,000	13,609	13,609
Southpoint Shopping Centre, Edmonton, AB	Jan 15	Retail	50%	14,700	14,890	14,890
Total acquisitions				\$ 27,700	\$ 28,499	\$ 28,499

Note 5. Investment Properties

(\$ thousands)

	Note	Income producing properties	Properties under development	Three months ended March 31, 2026	Year ended December 31, 2025
Balance, beginning of period		\$ 15,530,000	\$ 228,000	\$ 15,758,000	\$ 15,331,000
Acquisitions - including transaction costs of \$799 (2024 - \$5,616)	4	28,499	—	28,499	401,636
Capital expenditures					
Development capital ⁽ⁱ⁾		41	11,661	11,702	79,925
Building improvements		—	—	—	8,000
Capitalized interest ⁽ⁱⁱⁱ⁾	16	—	669	669	4,146
Property capital		5,418	—	5,418	81,629
Direct leasing costs		1,345	—	1,345	8,871
Tenant improvement allowances		3,914	—	3,914	32,579
Amortization of straight-line rent		(1,104)	—	(1,104)	(2,483)
Transfers to assets held for sale		—	—	—	(77,060)
Transfer to equity accounted joint ventures	6, 21	—	(37,446)	(37,446)	—
Transfers from properties under development		9,285	(9,285)	—	—
Dispositions		—	—	—	(102,525)
Disposition to equity accounted joint venture		—	—	—	(152,300)
Adjustment to fair value of investment properties ^(iv)		80,602	(1,599)	79,003	144,582
Balance, end of period		\$ 15,658,000	\$ 192,000	\$ 15,850,000	\$ 15,758,000

(i) Development capital for income producing properties represents development expenditure after the transfer of a project.

(ii) Development capital included \$609 of site intensification payments paid to Loblaw (December 31, 2025 - \$4,894) (Note 21).

(iii) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.28% (December 31, 2025 - 4.25%).

(iv) The unrealized fair value changes to income producing properties and properties under development were a gain of \$80,602 and a loss of \$1,599, respectively, for properties owned as at March 31, 2026 (December 31, 2025 - unrealized fair value gain of \$164,586 and loss of \$43,055, respectively).

Included in certain investment properties acquired from Loblaw is excess land with development potential. Choice Properties will compensate Loblaw, over time, with intensification payments determined by a site intensification payment grid as outlined in the Strategic Alliance Agreement (Note 21) should Choice Properties pursue activity resulting in the intensification of such excess land. The fair value of this excess land has been recorded in the condensed consolidated financial statements.

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

Valuation Methodology and Process

Please refer to the Trust's 2025 audited annual consolidated financial statements for the description of its valuation methodology and process.

Significant Valuation Assumptions

The following table highlights the significant assumptions used in determining the fair value of the Trust's income producing properties by asset class:

Total Income Producing Properties	As at March 31, 2026		As at December 31, 2025	
	Range	Weighted average	Range	Weighted average
Discount rate	5.25% - 10.50%	7.10%	5.25% - 10.50%	7.11%
Terminal capitalization rate	4.50% - 9.95%	6.32%	4.50% - 9.95%	6.33%
Retail				
Discount rate	5.25% - 10.50%	7.24%	5.25% - 10.50%	7.26%
Terminal capitalization rate	4.50% - 9.95%	6.49%	4.50% - 9.95%	6.50%
Industrial				
Discount rate	6.00% - 9.00%	6.76%	6.00% - 9.00%	6.77%
Terminal capitalization rate	5.00% - 8.50%	5.92%	5.00% - 8.50%	5.92%
Mixed-Use & Residential				
Discount rate	5.25% - 7.75%	6.44%	5.25% - 7.75%	6.44%
Terminal capitalization rate	4.50% - 7.00%	5.64%	4.50% - 7.00%	5.64%

The significant assumptions and inputs used in the valuation techniques to estimate the fair value of income producing properties are classified as Level 3 in the fair value hierarchy as certain inputs for the valuation are not based on observable market data points.

Independent Appraisals

Properties are typically independently appraised at the time of acquisition. In addition, Choice Properties has engaged independent nationally-recognized valuation firms to appraise its investment properties such that the majority of the portfolio will be independently appraised at least once over a four-year period.

The properties independently appraised each year represent a subset of the property types and geographic distribution of the overall portfolio and includes properties owned within equity accounted joint ventures and properties recognized as financial real estate assets. The aggregate fair value of investment properties independently appraised during each period, in accordance with the Trust's policy, is as follows:

(\$ thousands except where otherwise indicated)	Three months ended March 31, 2026		Year ended December 31, 2025	
	Number of income producing properties	Fair value	Number of income producing properties	Fair value
	20	\$ 841,000	85	\$ 3,227,000

Fair Value Sensitivity

The following table summarizes fair value sensitivity for the Trust's income producing properties which are most sensitive to changes in terminal capitalization rates and discount rates:

(\$ thousands)	Terminal capitalization rate				Discount rate			
	Rate sensitivity	Weighted average terminal capitalization rate	Fair value	Change in fair value	Weighted average discount rate	Fair value	Change in fair value	
	(0.75)%	5.57 %	\$ 16,848,000	\$ 1,191,000	6.35 %	\$ 16,539,000	\$ 882,000	
	(0.50)%	5.82 %	16,417,000	760,000	6.60 %	16,238,000	581,000	
	(0.25)%	6.07 %	16,022,000	365,000	6.85 %	15,944,000	287,000	
	— %	6.32 %	15,657,000	—	7.10 %	15,657,000	—	
	0.25 %	6.57 %	15,321,000	(336,000)	7.35 %	15,377,000	(280,000)	
	0.50 %	6.82 %	15,009,000	(648,000)	7.60 %	15,103,000	(554,000)	
	0.75 %	7.07 %	14,719,000	(938,000)	7.85 %	14,835,000	(822,000)	

Note 6. Equity Accounted Joint Ventures

Choice Properties accounts for its investments in joint ventures using the equity method. These investments hold primarily income producing properties and some development properties. The table below summarizes the Trust's investment in joint ventures:

	As at March 31, 2026		As at December 31, 2025	
	Number of joint ventures	Ownership interest	Number of joint ventures	Ownership interest
Retail	9	50% - 75%	9	50% - 75%
Industrial	1	75%	1	75%
Mixed-Use & Residential	6	50%	6	50%
Land held for development	3	50% - 85%	2	85%
Total equity accounted joint ventures	19		18	
Choice Properties' investment in equity accounted joint ventures		\$ 994,790		\$ 961,678

On January 29, 2026, Wittington acquired the 50% ownership interest in the Grenville & Grosvenor development project from the Trust's co-owner. Following this transaction, Wittington and the Trust each hold a 50% ownership interest in a limited partnership that owns the development property. As a result of the transaction, the Trust derecognized its \$37,446 interest in the property and has recognized it as an investment in an equity accounted joint venture.

Note 7. Financial Real Estate Assets

(\$ thousands)	Note	Three Months Ended	Year Ended
		March 31, 2026	December 31, 2025
Balance, beginning of period		\$ 202,079	\$ 199,374
Additions		272	152
Income from financial real estate assets due to changes in value		604	2,553
Balance, end of period		\$ 202,955	\$ 202,079

As at March 31, 2026, the weighted average discount rate and terminal capitalization rate used to determine the fair value of the Trust's financial real estate assets were 6.82% and 6.22%, respectively (December 31, 2025 - 6.82% and 6.22%, respectively).

Note 8. Mortgages, Loans and Notes Receivable

(\$ thousands)	Note	As at	
		March 31, 2026	December 31, 2025
Mortgages receivable classified as amortized cost ⁽ⁱ⁾		\$ 293,536	\$ 296,491
Mortgages receivable classified as fair value through profit and loss ("FVTPL")	17	34,180	45,175
Notes receivable from GWL classified as amortized cost ⁽ⁱ⁾	21	76,189	303,766
Mortgages, loans and notes receivable		\$ 403,905	\$ 645,432
Classified as:			
Expected to be recovered in more than twelve months		\$ 64,290	\$ 63,220
Expected to be recovered in less than twelve months		339,615	582,212
		\$ 403,905	\$ 645,432

(i) The fair value of the mortgages, loans and notes receivable classified as amortized cost was \$370,800 (December 31, 2025 - \$600,700) (Note 17).

Mortgages and Loans Receivable

Mortgages and loans receivable represent amounts advanced under mezzanine loans, joint venture financing, vendor take-back financing and other arrangements. Choice Properties mitigates its risk by diversifying the number of entities and assets to which it loans funds.

The table below summarizes the rate and life of interest-bearing mortgages and loans:

	March 31, 2026		December 31, 2025	
	Weighted average term to maturity (years)	Weighted average interest rate	Weighted average term to maturity (years)	Weighted average interest rate
Mortgages receivable	0.8	7.63%	1.0	7.70%

Notes Receivable from GWL

Non-interest bearing short-term notes totalling \$76,189 were issued to GWL during the three months ended March 31, 2026. In January 2026, notes totalling \$303,766 with respect to the loans issued in the 2025 fiscal year were settled against distributions payable by the Trust to GWL (Note 21).

Schedules of Maturity and Cash Flow Activities

The schedule of repayment of mortgages, loans and notes receivable based on maturity and redemption rights is as follows:

(\$ thousands)	Remainder of 2026	2027	2028	Total
Principal repayments				
Mortgages receivable	\$ 260,521	\$ 26,490	\$ 37,800	\$ 324,811
Notes receivable from GWL	—	76,189	—	76,189
Total principal repayments	260,521	102,679	37,800	401,000
Interest accrued	2,905	—	—	2,905
Total repayments	\$ 263,426	\$ 102,679	\$ 37,800	\$ 403,905

As a means to generate acquisition opportunities, Choice Properties has established a program with a group of real estate developers whereby Choice Properties provides mezzanine and/or co-owner financing. Credit risks arise if the borrowers default on repayment of their mortgages and loans to the Trust. Choice Properties' receivables, including mezzanine financings, are typically subordinate to prior ranking mortgage charges and generally represent equity financing for the Trust's co-owners or development partners. Not all the Trust's mezzanine financing activities will result in acquisitions. At the time of advancing financing, the Trust's co-owners or development partners would typically have some of the equity invested in the form of cash with the balance being financed by third-party lenders and Choice Properties.

As at March 31, 2026, the Trust has issued \$291,257 (December 31, 2025 - \$306,377) of secured mortgages to third-party borrowers. These loans have been extended to borrowers who are strategic partners and counterparties of the Trust and are secured by real property assets. In the event of a large commercial real estate market correction, the fair market value of an underlying property may be unable to support the investment. The Trust mitigates this risk by obtaining guarantees and registered mortgage charges, which are often cross-collateralized on several different commercial properties that are in various stages of development.

On March 13, 2026, a mortgage receivable totalling \$17,966, inclusive of accrued interest, was repaid in full.

Note 9. Accounts Receivable and Other Assets

(\$ thousands)	Note	As at March 31, 2026	As at December 31, 2025
Rent receivables ⁽ⁱ⁾ - net of expected credit loss of \$7,793 (2025 - \$8,564)		\$ 4,205	\$ 3,932
Accrued recovery income		10,753	13,381
Other receivables		15,606	15,920
Cost-to-complete receivable	21	1,980	1,980
Due from related parties ⁽ⁱⁱ⁾	21	25,836	23,487
Restricted cash		210	211
Prepaid property taxes		16,503	8,087
Prepaid insurance		9,856	192
Other assets		19,116	22,175
Right-of-use assets - net of accumulated amortization of \$3,850 (2025 - \$3,389)		28	180
Deferred tax asset		1,923	1,923
Deferred acquisition costs and deposits on land		5,635	7,043
Designated hedging derivatives	17	4,556	4,319
Accounts receivable and other assets		\$ 116,207	\$ 102,830
Classified as:			
Expected to be recovered in more than twelve months		\$ 17,497	\$ 17,814
Expected to be recovered in less than twelve months		98,710	85,016
		\$ 116,207	\$ 102,830

(i) Includes net rent receivable of \$1,579 from Loblaw (December 31, 2025 - \$1,321 from Loblaw) (Note 21).

(ii) Includes \$25,463 from Loblaw, \$322 from Wittington, and \$51 from GWL (December 31, 2025 - \$23,373, \$nil, and \$114, respectively) (Note 21).

Rent receivables

In determining the expected credit losses, the Trust takes into account the payment history and future expectations of likely default events (i.e. tenants asking for rental concessions or stating they will not be making rental payments on the due date) based on actual or expected insolvency filings or company voluntary arrangements and likely deferrals of payments due. These assessments are made on a tenant-by-tenant basis.

The Trust's assessment of expected credit losses is inherently subjective due to the forward-looking nature of the assessments. As a result, the value of the expected credit loss is subject to a degree of uncertainty and is made on the basis of assumptions which may not prove to be accurate.

Note 10. Long Term Debt

(\$ thousands)	As at March 31, 2026	As at December 31, 2025
Senior unsecured debentures	\$ 5,633,243	\$ 5,632,395
Mortgages payable	1,149,840	1,167,259
Construction loans	5,306	5,306
Long term debt	\$ 6,788,389	\$ 6,804,960
Classified as:		
Expected to be settled in more than twelve months	\$ 6,284,565	\$ 6,298,343
Expected to be settled in less than twelve months	503,824	506,617
	\$ 6,788,389	\$ 6,804,960

Senior Unsecured Debentures

(\$ thousands)				As at	As at
Series	Issuance Date	Maturity Date	Interest Rate	March 31, 2026	December 31, 2025
H	Mar 7, 2016	Mar 7, 2046	5.27%	100,000	100,000
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	500,000
V	Jan 16, 2025	Jan 16, 2030	4.29%	300,000	300,000
W	Aug 8, 2025	Aug 8, 2035	4.63%	350,000	350,000
X	Aug 8, 2025	Aug 8, 2055	5.37%	150,000	150,000
Total principal outstanding				5,650,000	5,650,000
Debt placement costs - net of accumulated amortization of \$29,725 (2025 - \$28,877)				(16,757)	(17,605)
Senior unsecured debentures				\$ 5,633,243	\$ 5,632,395

As at March 31, 2026, the senior unsecured debentures had a weighted average interest rate of 4.31% and a weighted average term to maturity of 5.6 years (December 31, 2025 - 4.31% and 5.8 years, respectively).

Mortgages Payable

(\$ thousands)	As at March 31, 2026	As at December 31, 2025
Mortgages principal	\$ 1,152,373	\$ 1,169,939
Net debt discounts and premiums - net of accumulated amortization of \$7,302 (2025 - \$7,228)	24	(50)
Debt placement costs - net of accumulated amortization of \$1,392 (2025 - \$1,319)	(2,557)	(2,630)
Mortgages payable	\$ 1,149,840	\$ 1,167,259

As at March 31, 2026, the mortgages had a weighted average interest rate of 4.13% and a weighted average term to maturity of 6.4 years (December 31, 2025 - 4.12% and 6.5 years, respectively).

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

Construction Loans

As at March 31, 2026, \$5,306 was outstanding on the construction loans (December 31, 2025 - \$5,306), with a weighted average interest rate of 4.22% and a weighted average term to maturity of 0.4 years (December 31, 2025 - 4.30% and 0.7 years, respectively). The outstanding construction loans were financed at variable rates.

For the purpose of financing the development of certain industrial and mixed-use & residential properties, various investments in equity accounted joint ventures and co-ownerships have variable rate non-revolving construction facilities, in which certain subsidiaries of the Trust guarantee its own share. As at March 31, 2026, the construction loans have a maximum capacity to be drawn at the Trust's ownership interest of \$277,681, of which \$272,156 relates to equity accounted joint ventures (December 31, 2025 - \$277,681 and \$272,156, respectively). The construction loans mature throughout 2026 and 2027.

Schedules of Repayments and Cash Flow Activities

The schedule of principal repayment of long term debt based on maturity is as follows:

(\$ thousands)	Remainder of 2026	2027	2028	2029	2030	Thereafter	Total
Senior unsecured debentures	\$ 350,000	\$ 500,000	\$ 750,000	\$ 750,000	\$ 700,000	\$ 2,600,000	\$ 5,650,000
Mortgages payable	137,685	95,109	49,819	40,205	133,498	696,057	1,152,373
Construction loans	5,306	—	—	—	—	—	5,306
Total	\$ 492,991	\$ 595,109	\$ 799,819	\$ 790,205	\$ 833,498	\$ 3,296,057	\$ 6,807,679

The following table reconciles the changes in cash flows from financing activities for long term debt:

(\$ thousands)				March 31, 2026	December 31, 2025
	Senior unsecured debentures	Mortgages payable	Construction loans	Long term debt	Long term debt
Balance, beginning of period	\$ 5,632,395	\$ 1,167,259	\$ 5,306	\$ 6,804,960	\$ 6,684,940
Issuances and advances	—	—	—	—	800,076
Repayments	—	(17,566)	—	(17,566)	(680,219)
Debt placement costs	—	—	—	—	(4,030)
Total cash flow activities	—	(17,566)	—	(17,566)	115,827
Amortization of debt discounts and premiums	—	74	—	74	455
Amortization of debt placement costs	848	73	—	921	3,738
Total non-cash activities	848	147	—	995	4,193
Balance, end of period	\$ 5,633,243	\$ 1,149,840	\$ 5,306	\$ 6,788,389	\$ 6,804,960

Note 11. Credit Facility

(\$ thousands)	As at March 31, 2026	As at December 31, 2025
Credit facility		
\$1,500,000 syndicated	\$ 30,000	\$ —
Debt placement costs - net of accumulated amortization of \$13,011 (2025 - \$12,788) ⁽ⁱ⁾	(1,731)	—
Translation of US dollar denominated borrowings	293	—
Credit facility	\$ 28,562	\$ —
Classified as:		
Expected to be settled in more than twelve months	\$ 28,562	\$ —

(i) Unamortized debt placement costs for the credit facility of \$1,954 were included in other assets as at December 31, 2025.

Choice Properties has a \$1,500,000 senior unsecured committed revolving credit facility provided by a syndicate of lenders maturing May 21, 2030.

Under the credit facility, the Trust has the ability to draw funds at variable rates in either Canadian dollars or U.S. dollars. Canadian dollar-denominated borrowings bear interest at either the Canadian bank prime rate plus 0.20% or Canadian Overnight Repo Rate Average (“CORRA”) plus 1.20% and a daily compounded CORRA adjustment of approximately 0.30%, and U.S. dollar-denominated borrowings bear interest at the U.S. prime rate plus 0.30% or Secured Overnight Financing Rate (“SOFR”) plus 1.30%. The pricing is contingent on the credit ratings for Choice Properties from either DBRS remaining at BBB (high) or S&P remaining at BBB+. Concurrently with any U.S. dollar draws, the Trust enters into cross currency swaps to exchange its U.S. dollar borrowings into Canadian dollar borrowings. The Trust applies hedge accounting to the cross currency swaps.

As at March 31, 2026, the Trust has U.S. dollar-denominated borrowings totaling \$21,855, equivalent to \$30,000 Canadian dollars (December 31, 2025 - \$nil) and \$nil (December 31, 2025 - \$nil) in Canadian dollar-denominated borrowings. Concurrent with the draws, the full amount of U.S. dollar-denominated borrowings was exchanged into Canadian dollars. As at March 31, 2026, the credit facility was revalued at \$30,293 Canadian dollars. The credit facility is subject to an annual commitment fee of 0.24% of the undrawn balance.

The credit facility contains certain financial covenants. As at March 31, 2026, the Trust was in compliance with all its financial covenants for the credit facility.

Schedule of Cash Flow Activities

The following table reconciles the changes in cash flows from financing activities for the credit facility:

(\$ thousands)	March 31, 2026	December 31, 2025
Balance, beginning of period	\$ —	\$ —
Net advances (repayments) of \$1,500,000 syndicated credit facility	30,000	—
Extension fee and related costs included in debt placement costs	—	(562)
Total cash flow activities	30,000	(562)
Translation of US dollar denominated borrowings	293	—
Amortization of debt placement costs	223	854
Reclass from other assets	(1,954)	(292)
Total non-cash activities	(1,438)	562
Balance, end of period	\$ 28,562	\$ —

Note 12. Unitholders' Equity*Trust Units (authorized - unlimited)*

Each Trust Unit ("Unit") represents a single vote at any meeting of Unitholders and entitles the Unitholder to receive a pro-rata share of all distributions. With certain restrictions, a Unitholder has the right to require Choice Properties to redeem its Units on demand. Upon receipt of a redemption notice by Choice Properties, all rights to and under the Units tendered for redemption shall be surrendered and the holder thereof shall be entitled to receive a price per unit as determined by a market formula and shall be paid in accordance with the conditions provided for in the Declaration of Trust.

Exchangeable Units (authorized - unlimited)

Exchangeable Units issued by the Partnership are economically equivalent to Units, receive distributions equal to the distributions paid on the Units and are exchangeable, at the holder's option, to Units. All Exchangeable Units are held, directly or indirectly, by GWL.

The 70,881,226 Exchangeable Units issued on May 4, 2018, in connection with the acquisition of Canadian Real Estate Investment Trust, contain voting and exchange restrictions which will expire based on the following schedule:

Voting and exchange rights restriction period expiration dates	Number of Exchangeable Units eligible for voting and transfer
July 5, 2027	22,988,505
July 5, 2028	22,988,505
July 5, 2029	24,904,216

Special Voting Units

Each Exchangeable Unit is accompanied by one Special Voting Unit which provides the holder thereof with a right to vote on matters respecting the Trust equal to the number of units that may be obtained upon the exchange of the Exchangeable Units for which each Special Voting Unit is attached.

Units Outstanding

	Note	As at March 31, 2026		As at December 31, 2025	
		Units	Amount	Units	Amount
(\$ thousands except where otherwise indicated)					
Units, beginning of period		328,024,272	\$ 3,658,693	327,923,972	\$ 3,659,456
Units issued and granted under unit-based compensation arrangements		—	—	424,398	1,933
Reclassification of vested Unit-Settled Restricted Units liability to equity		—	—	—	1,786
Units repurchased for unit-based compensation arrangements		—	—	(324,098)	(4,482)
Units, end of period		328,024,272	\$ 3,658,693	328,024,272	\$ 3,658,693
Exchangeable Units, beginning of period		395,786,525	\$ 5,861,598	395,786,525	\$ 5,283,750
Adjustment to fair value of Exchangeable Units		—	217,683	—	577,848
Exchangeable Units, end of period		395,786,525	\$ 6,079,281	395,786,525	\$ 5,861,598
Total Units and Exchangeable Units, end of period		723,810,797		723,810,797	

Normal Course Issuer Bid ("NCIB")

Choice Properties, may, from time to time, purchase Units in accordance with the rules prescribed under applicable stock exchange or regulatory policies. On November 19, 2025, Choice Properties received approval from the TSX to purchase up to 27,436,700 Units during the twelve-month period from November 21, 2025 to November 20, 2026, by way of a NCIB over the facilities of the TSX or through alternative trading systems. Choice Properties intends to file a Notice of Intention to make a NCIB with the TSX upon the expiry of its current NCIB.

Units Issued and Granted under Unit-Based Compensation Arrangements

During the year ended December 31, 2025, Units were issued as part of settlements under the Unit Option and Trustee Deferred Unit Plans and granted under the Unit-Settled Restricted Unit Plan, as applicable.

Units Repurchased for Unit-Based Compensation Arrangements

The Trust acquired Units under its NCIB during the year ended December 31, 2025, which were then granted to certain employees in connection with the Unit-Settled Restricted Unit Plan, and are subject to vesting conditions and disposition restrictions. In addition, during the year ended December 31, 2025 the Trust acquired Units under its NCIB to settle an obligation under the Trustee Deferred Unit Plan.

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

Distributions

Choice Properties' Board retains full discretion with respect to the timing and quantum of distributions and expects to distribute the amount necessary to ensure the Trust will not be liable to pay income taxes under Part I of the *Income Tax Act (Canada)*⁽ⁱ⁾. Accordingly, no provision for current income taxes payable is required, except for amounts incurred for the Trust's Canadian corporate subsidiaries. The taxable income allocated to the Trust and Exchangeable Unitholders may vary in certain taxation years. Over time, such differences, in aggregate, are expected to be minimal.

In the three months ended March 31, 2026, Choice Properties declared cash distributions of \$0.193 per unit or \$139,937 in aggregate (March 31, 2025 - \$0.191 per unit or \$138,121, respectively), including distributions to holders of Exchangeable Units, which are reported as interest expense. Distributions declared to Unitholders of record at the close of business on the last business day of a month are paid on or about the 15th day of the following month.

On February 18, 2026, the Board reviewed and approved an increase of distributions to \$0.78 per unit per annum from the previous rate of \$0.77 per unit per annum (an increase of 1.3%). The increase was effective for Unitholders of record on March 31, 2026.

The holders of Exchangeable Units may elect to defer receipt of all, or a portion of distributions declared by the Partnership until the first date following the end of the fiscal year. If the holder elects to defer, the Partnership will loan the holder the amount equal to the deferred distribution without interest, and the loan will be due and payable in full on the first business day following the end of the fiscal year the loan was advanced.

(i) Choice Properties qualifies as a "mutual fund trust" and a "real estate investment trust" under the Income Tax Act (Canada).

Base Shelf Prospectus

On June 20, 2025, Choice Properties renewed a Short Form Base Shelf Prospectus allowing for the issuance of Units and debt securities over a 25-month period.

Note 13. Trade Payables and Other Liabilities

(\$ thousands)	Note	As at March 31, 2026	As at December 31, 2025
Trade accounts payable		\$ 5,050	\$ 12,621
Accrued liabilities and provisions ⁽ⁱ⁾		77,502	73,281
Accrued acquisition transaction costs and other related expenses		138	137
Accrued capital expenditures ⁽ⁱⁱ⁾		75,108	84,305
Accrued interest expense		49,390	71,394
Due to related party ⁽ⁱⁱⁱ⁾	21	103,805	330,821
Unit-based compensation		17,712	19,806
Distributions payable ^(iv)		21,777	21,503
Lease liabilities		955	992
Tenant deposits		21,301	20,104
Deferred revenue		19,961	25,054
Designated hedging derivatives	17	1,334	1,761
Trade payables and other liabilities		\$ 394,033	\$ 661,779
Classified as:			
Expected to be settled in more than twelve months		\$ 3,694	\$ 6,477
Expected to be settled in less than twelve months		390,339	655,302
		\$ 394,033	\$ 661,779

(i) Includes amounts payable to Loblaw of \$2,304 (December 31, 2025 - \$3,963) (Note 21).

(ii) Includes construction allowances payable to Loblaw of \$47,005 (December 31, 2025 - \$40,483) (Note 21).

(iii) Includes distributions accrued on Exchangeable Units of \$101,915 payable to GWL (December 31, 2025 - \$329,162); \$1,311 payable to GWL for shared costs incurred by GWL on behalf of the Trust, the Services Agreement expense and other related party charges (December 31, 2025 - \$1,093); \$nil payable to Wittington for various related party charges (December 31, 2025 - \$288); and \$579 payable to Loblaw for reimbursed contract revenue and other related party charges (December 31, 2025 - \$278) (Note 21).

(iv) Includes distributions payable to GWL of \$3,293 and Wittington of \$709 (December 31, 2025 - \$3,251 and \$700, respectively) (Note 21).

Note 14. Rental Revenue

Rental revenue is comprised of the following:

(\$ thousands)	Related Parties ⁽ⁱ⁾	Third Parties	Three months ended March 31, 2026	Related Parties ⁽ⁱ⁾	Third Parties	Three months ended March 31, 2025
Base rent	\$ 139,744	\$ 99,839	\$ 239,583	\$ 134,899	\$ 98,019	\$ 232,918
Property tax and insurance recoveries	41,563	29,284	70,847	39,656	25,966	65,622
Operating cost recoveries	26,371	21,511	47,882	25,832	21,379	47,211
Lease surrender and other revenue	1,118	1,762	2,880	—	1,161	1,161
Rental revenue	\$ 208,796	\$ 152,396	\$ 361,192	\$ 200,387	\$ 146,525	\$ 346,912

(i) Refer to Note 21, Related Party Transactions.

Choice Properties enters into long-term lease contracts with tenants for space in its properties. Initial lease terms are generally between three and ten years for commercial units and longer terms for food store anchors. Leases generally provide for the tenant to pay Choice Properties base rent, with provisions for contractual increases in base rent over the term of the lease, plus operating cost, property tax and insurance recoveries. Many of the leases with Loblaw are stand-alone retail sites, where Loblaw is directly responsible for the operating costs.

Note 15. Property Operating Costs

(\$ thousands)	Three Months	
	March 31, 2026	March 31, 2025
Property taxes and insurance	\$ 73,807	\$ 68,774
Recoverable operating costs	30,900	30,835
Non-recoverable operating costs	388	1,454
Property operating costs	\$ 105,095	\$ 101,063

Included in non-recoverable operating expenses are net expected credit losses of \$739 for the three months ended March 31, 2026 (March 31, 2025 - reversals of net expected credit losses of \$124). Refer to Note 9 for discussion on rents receivable and the related expected credit losses.

Note 16. Net Interest Expense and Other Financing Charges

(\$ thousands)	Note	Three Months	
		March 31, 2026	March 31, 2025
Interest on senior unsecured debentures		\$ 60,182	\$ 55,902
Interest on mortgages and construction loans		11,896	13,486
Interest on credit facility		908	1,174
Interest on right-of-use lease liabilities		9	10
Amortization of debt discounts and premiums	10	74	135
Amortization of debt placement costs	10,11	1,144	1,062
Distributions on Exchangeable Units ⁽ⁱ⁾	21	76,519	75,529
		150,732	147,298
Less: Capitalized interest ⁽ⁱⁱ⁾	5	(669)	(1,109)
Net interest expense and other financing charges		\$ 150,063	\$ 146,189

(i) Represents interest on indebtedness due to GWL.

(ii) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.28% for the three months ended March 31, 2026, (March 31, 2025 - 4.23%).

Note 17. Financial Instruments

The following table presents the fair value hierarchy of financial assets and liabilities, excluding those classified as amortized cost that are short term in nature:

(\$ thousands)	Note	As at March 31, 2026				As at December 31, 2025			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets									
Fair value through profit and loss:									
Mortgages, loans and notes receivable	8	\$ —	\$ —	\$ 34,180	\$ 34,180	\$ —	\$ —	\$ 45,175	\$ 45,175
Financial real estate assets		—	—	202,955	202,955	—	—	202,079	202,079
Investment in real estate securities		—	108,408	—	108,408	—	157,888	—	157,888
Designated hedging derivatives	9	—	4,556	—	4,556	—	4,319	—	4,319
Amortized cost:									
Mortgages, loans and notes receivable	8	—	—	370,800	370,800	—	—	600,700	600,700
Cash and cash equivalents		—	34,759	—	34,759	—	71,180	—	71,180
Liabilities									
Fair value through profit and loss:									
Exchangeable Units	12	—	6,079,281	—	6,079,281	—	5,861,598	—	5,861,598
Unit-based compensation	13	—	17,712	—	17,712	—	19,806	—	19,806
Designated hedging derivatives	13	—	1,334	—	1,334	—	1,761	—	1,761
Amortized cost:									
Long term debt	10	—	—	6,914,099	6,914,099	—	—	7,020,044	7,020,044

The carrying value of the Trust’s assets and liabilities approximated fair value except for long term debt. The fair value of Choice Properties’ senior unsecured debentures was calculated using market trading prices for similar instruments, whereas the fair values for the mortgages was calculated by discounting future cash flows using appropriate discount rates. There were no transfers between levels of the fair value hierarchy during the periods.

Designated Hedging Derivatives

Designated hedging derivatives consist of interest rate swaps to hedge the interest rate associated with an equivalent amount of variable rate mortgages, and cross currency swaps to hedge foreign exchange associated with the equivalent amount borrowed in USD on the Trust’s credit facility (Note 11). As at March 31, 2026, the interest rates associated with the interest rate swaps ranged from 2.8% to 5.0% (December 31, 2025 - 2.8% to 5.0%).

The impact of the hedging instruments on the consolidated balance sheets was as follows:

(\$ thousands)	Note	Maturity Date	Notional Amount	As at	
				March 31, 2026	December 31, 2025
Derivative assets					
Interest rate swaps	9	Sep 2026 - Jun 2030	\$ 62,241	\$ 4,263	\$ 4,319
Cross currency swap	9	April 2026	30,000	293	—
Total derivative assets			\$ 92,241	\$ 4,556	\$ 4,319
Derivative liabilities					
Interest rate swaps	13	March 1, 2030	\$ 73,440	1,334	\$ 1,761
Total derivative liabilities			\$ 73,440	\$ 1,334	\$ 1,761

During the three months ended March 31, 2026, the Trust recorded an unrealized fair value gain in other comprehensive income (loss) of \$371 (March 31, 2025 - unrealized fair value loss of \$2,050).

Note 18. Supplemental Cash Flow Information

(a) Items not affecting cash and other items

(\$ thousands)	Note	Three Months	
		March 31, 2026	March 31, 2025
Straight-line rental revenue	5	\$ 1,104	\$ 367
Unit-based compensation expense included in general and administrative expenses		1,647	1,801
Amortization of intangible assets		250	250
Adjustment to fair value of unit-based compensation		296	18
Adjustment to fair value of Exchangeable Units	12	217,683	237,472
Adjustment to fair value of investment properties	5	(79,003)	(29,958)
Adjustment to fair value of investment in real estate securities		49,480	8,974
Items not affecting cash and other items		\$ 191,457	\$ 218,924

(b) Net change in non-cash working capital

(\$ thousands)	Note	Three Months	
		March 31, 2026	March 31, 2025
Net change in accounts receivable and other assets	9	\$ (15,094)	\$ (29,897)
Net change in trade payables and other liabilities	13	(13,136)	(17,715)
Net change in non-cash working capital		\$ (28,230)	\$ (47,612)

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

Note 19. Segment Information

Choice Properties operates in three reportable segments: retail, industrial, and mixed-use & residential. The segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (“CODM”), determined to be the senior leadership team, which is comprised of the Chief Executive Officer and the Chief Financial Officer. The CODM measures and evaluates the performance of the Trust based on net rental income.

The tables below presents net rental income for the three months ended March 31, 2026 and March 31, 2025 in a manner consistent with internal reporting. The accounting policies of the segments presented here are the same as those described in Note 2 of the audited annual consolidated financial statements, except that segment rental revenue and segment property operating costs include the proportionate share of revenue and direct operating costs of joint ventures and financial real estate assets.

(\$ thousands)	Retail	Industrial	Mixed-Use & Residential	Consolidation and Eliminations ⁽ⁱ⁾	Three Months Ended March 31, 2026
Base rent	\$ 189,182	\$ 61,552	\$ 12,415	\$ (23,566)	\$ 239,583
Property tax and insurance recoveries	56,560	16,541	2,139	(4,393)	70,847
Operating cost recoveries	40,580	7,727	2,213	(2,638)	47,882
Lease surrender and other revenue	2,888	119	574	(701)	2,880
Rental Revenue	289,210	85,939	17,341	(31,298)	361,192
Property taxes and insurance	(59,364)	(16,645)	(3,017)	5,219	(73,807)
Recoverable operating costs	(27,429)	(3,674)	(3,464)	3,667	(30,900)
Non-recoverable operating costs	(924)	(308)	116	728	(388)
Property Operating Costs	(87,717)	(20,627)	(6,365)	9,614	(105,095)
Net Rental Income	\$ 201,493	\$ 65,312	\$ 10,976	\$ (21,684)	\$ 256,097

(i) Reconciling items to adjust Choice Properties’ proportionate share of joint ventures and financial real estate assets to reflect the equity method of accounting and financial instrument accounting treatment, respectively, under GAAP.

(\$ thousands)	Retail	Industrial	Mixed-Use & Residential	Consolidation and Eliminations ⁽ⁱ⁾	Three months ended March 31, 2025
Base rent	\$ 185,220	\$ 52,412	\$ 14,481	\$ (19,195)	\$ 232,918
Property tax and insurance recoveries	54,082	14,406	2,226	(5,092)	65,622
Operating cost recoveries	38,926	6,748	3,270	(1,733)	47,211
Lease surrender and other revenue	936	152	(813)	886	1,161
Rental Revenue	279,164	73,718	19,164	(25,134)	346,912
Property taxes and insurance	(56,775)	(14,645)	(1,646)	4,292	(68,774)
Recoverable operating costs	(26,714)	(3,073)	(4,034)	2,986	(30,835)
Non-recoverable operating costs	(829)	(545)	(632)	552	(1,454)
Property Operating Costs	(84,318)	(18,263)	(6,312)	7,830	(101,063)
Net Rental Income	\$ 194,846	\$ 55,455	\$ 12,852	\$ (17,304)	\$ 245,849

(i) Reconciling items to adjust Choice Properties’ proportionate share of joint ventures and financial real estate assets to reflect the equity method of accounting and financial instrument accounting treatment, respectively, under GAAP.

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

The tables below presents investment properties as at March 31, 2026 and December 31, 2025 in a manner consistent with internal reporting. The accounting policies of the segments presented here are the same as those described in Note 2 of the audited annual consolidated financial statements, except that segment income producing properties and segment properties under development include the proportionate share of joint ventures and financial real estate assets.

(\$ thousands)	Retail	Industrial	Mixed-Use & Residential	Consolidation and eliminations ⁽ⁱ⁾	As at March 31, 2026
Income producing properties	\$ 11,685,000	\$ 4,595,000	\$ 877,000	(1,499,000)	\$ 15,658,000
Properties under development	187,000	494,000	64,000	(553,000)	192,000
Investment Properties	\$ 11,872,000	\$ 5,089,000	\$ 941,000	\$ (2,052,000)	\$ 15,850,000

(i) Reconciling items to adjust Choice Properties' proportionate share of joint ventures and financial real estate assets to reflect the equity method of accounting and financial instrument accounting treatment, respectively, under GAAP.

(\$ thousands)	Retail	Industrial	Mixed-Use & Residential	Consolidation and eliminations ⁽ⁱ⁾	As at December 31, 2025
Income producing properties	\$ 11,569,000	\$ 4,578,000	\$ 891,000	(1,508,000)	\$ 15,530,000
Properties under development	186,000	484,000	62,000	(504,000)	228,000
Investment Properties	\$ 11,755,000	\$ 5,062,000	\$ 953,000	\$ (2,012,000)	\$ 15,758,000

(i) Reconciling items to adjust Choice Properties' proportionate share of joint ventures and financial real estate assets to reflect the equity method of accounting and financial instrument accounting treatment, respectively, under GAAP.

Note 20. Contingencies, Commitments, and Guarantees

Choice Properties is involved in and potentially subject to various claims by third parties arising from the normal course of conduct of its business including regulatory, property and environmental claims. In addition, Choice Properties is potentially subject to regular audits from federal and provincial tax authorities and, as a result of these audits, may receive reassessments. The outcomes of such matters, including those listed below, cannot be predicted with certainty. Based on the information currently available, management does not consider Choice Properties' exposure to such reassessments, claims and litigation, to the extent not covered by Choice Properties' insurance policies or otherwise provided for, to be material to the condensed consolidated financial statements, but they may have a material impact in future periods.

a. Legal Proceedings

Choice Properties is potentially the subject of various legal proceedings and claims that arise in the ordinary course of business. The outcome of all these proceedings and claims is uncertain.

b. Guarantees

Choice Properties issues letters of credit to support guarantees related to its investment properties including maintenance and development obligations to municipal authorities. The Trust has aggregate letters of credit with a maximum capacity of \$103,181 at the Trust's ownership interest. As at March 31, 2026, the aggregate gross potential liability related to these letters of credit totalled \$27,125 (December 31, 2025 - \$29,918).

Choice Properties' credit facility and senior unsecured debentures are guaranteed by each of the General Partner, the Partnership and any other person that becomes a subsidiary of Choice Properties (with certain exceptions). In the case of default by the Trust, the indenture trustee will be entitled to seek redress from the guarantors for the guaranteed obligations in the same manner and upon the same terms that it may seek to enforce the obligations of the Trust. These guarantees are intended to eliminate structural subordination, which would otherwise arise as a consequence of Choice Properties' assets being primarily held in various subsidiaries of the Trust.

c. Contingent Liabilities

Generally, the Trust is only liable for its proportionate share of the obligations of the co-ownerships and equity accounted joint ventures in which it participates, except in limited circumstances. Credit risk arises in the event that the partners default on the payment of their proportionate share of such obligations. The Trust has exposure to its partners' share of mortgage debt obligations within its equity accounted joint ventures in the amount of \$422,982 as at March 31, 2026 (December 31, 2025 - \$427,000). This credit risk is mitigated as the Trust generally has recourse under its co-ownership agreements and joint venture arrangements in the event of default of its partners, in which case the Trust's claim would be against both the underlying real estate investments and the partners that are in default. Management believes that the assets of its co-ownerships and equity accounted joint ventures are sufficient for the purpose of satisfying any obligation of the Trust should the Trust's partner default.

d. Potential Tax Reassessment

Choice Properties received notice of the Canada Revenue Agency's intention to reassess its 2018 taxation year as it relates to the acquisition of Canadian REIT. Choice Properties is strongly of the view that its tax filing position was appropriate and in accordance with the relevant provisions of the *Income Tax Act (Canada)* and intends to defend its position vigorously.

e. Commitments

Choice Properties has entered into contracts for development and property capital projects and has other contractual obligations. The Trust is committed to future payments of approximately \$644,000, of which \$543,000 relates to equity accounted joint ventures, as at March 31, 2026 (December 31, 2025 - \$462,000 and \$361,000, respectively).

Note 21. Related Party Transactions

Choice Properties' controlling unitholder is GWL, which, as at March 31, 2026, held either directly or indirectly, a 61.7% effective interest in the Trust through ownership of 50,661,415 Units and all the Exchangeable Units, which are economically equivalent to and exchangeable to Units. Choice Properties' ultimate parent is Wittington, the controlling shareholder of GWL. Wittington directly owns 10,910,000 of the Trust's Units. Galen G. Weston beneficially owns or controls, directly and indirectly, including through Wittington, approximately 59.5% of GWL's outstanding common shares. Galen G. Weston also beneficially owns 1,596,842 of the Trust's Units.

GWL is also the controlling shareholder of Loblaw, with ownership of 52.6% of outstanding common shares as at March 31, 2026 (December 31, 2025 - 52.6%). Therefore, Choice Properties is a related party of Loblaw by virtue of common control.

Transactions and Agreements with GWL**Services Agreement**

During the three months ended March 31, 2026, GWL provided Choice Properties with corporate, administrative and other support services for an annualized cost of \$5,136 (December 31, 2025 - \$4,988).

Distributions on Exchangeable Units

GWL, directly or indirectly, holds all of the Exchangeable Units issued by Choice Properties Limited Partnership, a subsidiary of Choice Properties. During the three months ended March 31, 2026, distributions declared on the Exchangeable Units totalled \$76,519 (March 31, 2025 - \$75,529).

As at March 31, 2026, Choice Properties had distributions on Exchangeable Units payable to GWL of \$101,915 (December 31, 2025 - \$329,162). The payable to GWL included deferred distributions of \$76,189 to be paid on the first business day of the 2027 fiscal year (December 31, 2025 - \$303,766).

Notes Receivable

Holders of Exchangeable Units may, in lieu of receiving all or a portion of their distributions, choose to be loaned an amount from Choice Properties Limited Partnership, and to have such distributions made on the first business day following the end of the fiscal year in which such distribution would otherwise have been made. The loans do not bear interest and are due and payable in full on the first business day following the end of the fiscal year during which the loan was made. During the three months ended March 31, 2026, \$76,189 of notes were issued to GWL. In January 2026, notes totalling \$303,766 with respect to the loans issued in the 2025 fiscal year were settled against distributions payable by the Trust to GWL.

Trust Unit Distributions

During the three months ended March 31, 2026, Choice Properties declared cash distributions of \$9,795 on the Units held by GWL (March 31, 2025 - \$9,668). As at March 31, 2026, \$3,293 of Trust Unit distributions declared were payable to GWL (December 31, 2025- \$3,251).

Transaction Summary as Reflected in the Consolidated Financial Statements

Transactions with GWL recorded in the consolidated statements of operations and comprehensive loss were comprised as follows:

(\$ thousands)	Note	Three Months	
		March 31, 2026	March 31, 2025
Rental revenue	14	\$ —	\$ 800
Services Agreement expense		(1,284)	(1,247)
Distributions on Exchangeable Units	16	(76,519)	(75,529)

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

The balances due from (to) GWL and subsidiaries were as follows:

(\$ thousands)	Note	As at	
		March 31, 2026	December 31, 2025
Notes receivable	8	\$ 76,189	\$ 303,766
Other receivables	9	51	114
Exchangeable Units	12	(6,079,281)	(5,861,598)
Accrued liabilities	13	(1,311)	(1,093)
Distributions payable on Exchangeable Units	13	(101,915)	(329,162)
Distributions payable on Trust Units	13	(3,293)	(3,251)
Due to GWL and subsidiaries		\$ (6,109,560)	\$ (5,891,224)

Transactions and Agreements with Loblaw

Strategic Alliance Agreement

The Strategic Alliance Agreement creates a series of rights and obligations between Choice Properties and Loblaw intended to establish a preferential and mutually beneficial business and operating relationship. The initial term of the Strategic Alliance Agreement expired on July 5, 2023. Upon expiry of the initial term, the Strategic Alliance Agreement renewed until July 5, 2033 or the date on which GWL and its affiliates own less than 50% of the Trust on a fully diluted basis. The Strategic Alliance Agreement provides Choice Properties with important rights that are expected to meaningfully contribute to the Trust's growth. Subject to certain exceptions, rights include:

- Choice Properties has the right of first offer to purchase any property in Canada that Loblaw seeks to sell;
- Loblaw is generally required to present shopping centre property acquisitions in Canada to Choice Properties to allow the Trust a right of first opportunity to acquire the property itself; and
- Choice Properties has the right to participate in future shopping centre developments involving Loblaw.

Included in certain investment properties acquired from Loblaw is excess land with development potential. In accordance with the Strategic Alliance Agreement, Choice Properties will compensate Loblaw, over time, with intensification payments, as Choice Properties pursues development, intensification or redevelopment of such excess land. The payments to Loblaw are calculated in accordance with a payment grid that takes into account the region, market ranking and type of use for the property.

Lease Surrender Revenue

During the three months ended March 31, 2026, Choice Properties recognized \$1,118 of lease surrender revenue from Loblaw (March 31, 2025 - \$nil).

Site Intensification Payments

Choice Properties compensated Loblaw with intensification payments of \$609 in connection with completed gross leasable area for which tenants took possession during the three months ended March 31, 2026 (March 31, 2025 - \$2,790).

Transaction Summary as Reflected in the Consolidated Financial Statements

Loblaw is the largest tenant for Choice Properties, representing approximately 57.8% of Choice Properties' rental revenue for the three months ended March 31, 2026 (March 31, 2025 - 57.4%). Transactions with Loblaw recorded in the consolidated statements of operations and comprehensive loss were comprised as follows:

(\$ thousands)	Note	Three Months	
		March 31, 2026	March 31, 2025
Rental revenue	14	\$ 208,796	\$ 199,053

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

The balances due from (to) Loblaw were as follows:

(\$ thousands)	Note	As at	
		March 31, 2026	December 31, 2025
Rent receivable	9	\$ 1,579	\$ 1,321
Other receivables	9	25,463	23,373
Accrued liabilities	13	(2,304)	(3,963)
Construction allowances payable	13	(47,005)	(40,483)
Reimbursed contract payable	13	(579)	(278)
Due to Loblaw		\$ (22,846)	\$ (20,030)

Transactions and Agreements with Wittington

Management Agreements

Choice Properties provides Wittington with property management services for jointly and wholly owned assets with third-party tenancies, development management services for jointly owned assets, and development consulting services on a fee for service basis.

Joint Venture

On January 29, 2026, Wittington acquired the 50% ownership interest in the Grenville & Grosvenor development project from the Trust's co-owner. Following this transaction, Wittington and the Trust each hold a 50% ownership interest in a limited partnership that owns the development property. As a result of the transaction, the Trust derecognized its \$37,446 interest in the property and has recognized it as an investment in an equity accounted joint venture.

Trust Unit Distributions

During the three months ended March 31, 2026, Choice Properties declared cash distributions of \$2,109 on the Units held by Wittington (March 31, 2025 - \$nil). As at March 31, 2026, \$709 of Trust Unit distributions declared were payable to Wittington (December 31, 2025 - \$700).

Transaction Summary as Reflected in the Consolidated Financial Statements

Transactions with Wittington recorded in the consolidated statements of operations and comprehensive loss were comprised as follows:

(\$ thousands)	Note	Three Months	
		March 31, 2026	March 31, 2025
Rental revenue	14	\$ —	\$ 534
Fee income		361	111

The balances due from Wittington and subsidiaries were as follows:

(\$ thousands)	Note	As at	
		March 31, 2026	December 31, 2025
Other receivables	9	322	—
Cost-to-complete receivable	9	1,980	1,980
Accrued liabilities	9	—	(288)
Distributions payable	13	(709)	(700)
Due from Wittington and subsidiaries		\$ 1,593	\$ 992

Transactions and Agreements With Other Related Parties

Mortgages Receivable

As at March 31, 2026, mortgages, loans, and notes receivable included \$42,829 of mortgages receivable that are issued to entities in which the Trust has an ownership interest (December 31, 2025 - \$41,452).

Note 22. Subsequent Event

On April 16, 2026, the Trust announced that it entered into an agreement with First Capital Real Estate Investment Trust (“FCR”) and KingSett Capital on behalf of its investors (the “Transaction”).

Upon closing of the Transaction, the Trust will acquire approximately \$5,000,000 of FCR’s retail assets, comprised of approximately \$4,800,000 of income producing properties and approximately \$200,000 of properties under development.

Choice Properties intends to finance the acquisition as follows:

- Issuance of approximately 68.6 million Trust Units to FCR’s unitholders,
- Issuance of approximately \$600,000 of Exchangeable or Trust Units to GWL,
- Assumption of \$2,300,000 principal of outstanding unsecured debentures of FCR, and
- Assumption of approximately \$400,000 principal of existing mortgages secured by the acquired assets, with the remainder of the transaction financed through the issuance of new debt.

The Transaction, which is expected to close in the second half of 2026, is subject to approval by FCR’s unitholders, regulatory and other customary approvals and closing conditions.

Shareholder Information and How to Contact Us

Choice Properties is Canada's largest real estate investment trust, guided by a clear purpose: to create places where people thrive. This is how we build enduring value. As a national owner, operator, and developer of high-quality commercial and residential real estate, we go beyond managing assets. We create places that strengthen how tenants and communities live, work, and connect. Our platform is built on industry leadership in sustainability, community engagement, and social impact, embedded across how we operate, build, and grow. As a trusted steward of capital, we are committed to disciplined execution, long-term value creation, and responsible growth. Everything we do is guided by our core values of Care, Ownership, Respect, and Excellence.

Conference Call and Webcast

Management will host a conference call on Thursday, April 30, 2026 at 9:00 AM (EDT) with a simultaneous audio webcast. To access via teleconference, please dial +1 (888) 330-2454 or +1 (240) 789-2714 and enter the event passcode: 4788974. The link to the audio webcast will be available on www.choicereit.ca/investors.

Annual Meeting of Unitholders

Choice Properties' Annual Meeting of Unitholders will be held on Thursday, April 30, 2025 at 11:00 AM (EDT) in a virtual meeting format via live webcast. Unitholders can attend the meeting by joining the live webcast online at <https://meetings.lumiconnect.com/400-970-939-471>. Refer to "How do I attend and participate in the virtual Meeting?" in the Management Proxy Circular which can be viewed online at www.choicereit.ca or under Choice Properties' SEDAR+ profile at www.sedarplus.ca, for detailed instructions on how to attend and vote at the meeting. The webcast of the meeting will be archived on our website following the meeting. Please refer to the Events page at www.choicereit.ca for additional details on the virtual meeting.

Head Office

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Stock Exchange Listing and Symbol

The Trust's Units are listed on the Toronto Stock Exchange and trade under the symbol "CHP.UN".

Distribution Policy

Choice Properties' Board retains full discretion with respect to the timing and quantum of distributions. Declared distributions are paid to Unitholders of record at the close of business on the last business day of a month on or about the 15th day of the following month.

Registrar and Transfer Agent

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Montreal, QC, H3B 3K3
Tel: 416-682-3860 (outside of Canada and US)
Tel toll free: 1-800-387-0825 (Canada and US)
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Additional financial information has been filed electronically with various securities regulators in Canada through the System for Electronic Document Analysis and Retrieval ("SEDAR+"), www.sedarplus.ca. Choice Properties holds a conference call shortly following the release of its quarterly results. These calls are archived in the Investor Relations section of the Trust's website, www.choicereit.ca.

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