



# Delivering Today. Building for the Future.

Q1 2023

Investor Presentation

ChoiceProperties

## Forward Looking Statement

Certain statements contained in this document constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to Choice Properties REIT's (the "Trust") future outlook and anticipated events or results and may include statements regarding the financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes, plans and objectives of or involving the Trust. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for the Trust or the real estate industry are forward-looking statements. In some cases, forward-looking information can be identified by such terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts. The Trust has based these forward-looking statements on factors and assumptions about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs, including that the Canadian economy will remain stable over the next 12 months, that inflation will remain relatively low, that interest rates will remain stable, that tax laws remain unchanged, that conditions within the real estate market, including competition for acquisitions, will be consistent with the current climate, that the Canadian capital markets will provide the Trust with access to equity and/or debt at reasonable rates when required and that Loblaw will continue its involvement with the Trust. Although the forward-looking statements contained in this document are based upon assumptions that management of the Trust believes are reasonable based on information currently available to management, there can be no assurance that actual results will be consistent with these forward-looking statements. Forward-looking statements necessarily involve known and unknown risks and uncertainties, many of which are beyond the Trust's control, that may cause the Trust's or the industry's actual results, performance, achievements, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, the factors discussed under "Enterprise Risks and Risk Management" section of the Trust's Report to Unitholders. The forward-looking statements made in this presentation relate only to events or information as of the date on which the statements are made in this document. Except as required by law, the Trust undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

These forward-looking statements are made as of April 24, 2023 and Choice Properties REIT assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

## Non-GAAP Financial Measures

Certain Non-GAAP financial measures and ratios are contained in this document. These terms, which include the proportionate share basis of accounting as it relates to "equity accounted joint ventures" and "financial real estate assets", net operating income ("NOI"), Adjusted Debt to EBITDAFV ("Debt-to-EBITDA") are defined in Section 14, "Non-GAAP Financial Measures", of the Choice Properties MD&A for the three months ended March 31, 2023, and are reconciled to the most comparable GAAP measure. Choice Properties' consolidated financial statements and MD&A for the three months ended March 31, 2023 are available on Choice Properties' website at [www.choicereit.ca](http://www.choicereit.ca) and on SEDAR at [www.sedar.com](http://www.sedar.com).

# Q1 2023 Financial Performance

	Q1 2023	Q4 2022	Q1 2022
FFO	\$0.244/unit	\$0.241/unit +1.2% ↑	\$0.242/unit +0.8% ↑
AFFO	\$0.227/unit	\$0.175/unit +29.7% ↑	\$0.222/unit +2.3% ↑
Occupancy	97.7%	97.8% (0.1%) ↓	97.0% +0.7% ↑
Same-Asset NOI, Cash Basis	\$234.9M	\$231.0M +1.7% ↑	\$224.4M +4.6% ↑
Adjusted Debt-to-EBITDA	7.5x	7.5x -- ↔	7.2x +0.3x ↑

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# Canada's Preeminent REIT



# Canada's Preeminent REIT

We lead where it matters most

## Largest in Canada

**703** high-quality properties

**3** strategic asset classes

## Unmatched Necessity-Based Portfolio

**82%** Necessity-based retail portfolio <sup>(1)</sup>

**37M** sq. ft. Grocery anchored, retail portfolio <sup>(1)</sup>

## Strategic Relationship with Canada's Leading Retailer

**57%** Loblaw tenancy <sup>(1)</sup>

Loblaw relationship provides an irreplaceable competitive advantage

## One of Canada's Largest Urban Landowners

**18M+** sq. ft. development pipeline

**70+** sites with future development potential

## Industry Leading Balance Sheet

**BBB** DBRS Rating (High)

**7.5x** Debt/EBITDA

## ESG Leadership

**Net Zero** one of Canada's first with targets validated by SBTi  
By 2050

**50%** Women Executives (VP+)

<sup>(1)</sup> Percentages based on gross rental revenue for the three months ended March 31, 2023

# Creating Enduring Value

Choice Properties is a leading Real Estate Investment Trust that creates enduring value through the ownership, operation and development of **high-quality** commercial and residential properties. We believe that value comes from creating spaces that improve how our tenants and communities come together to live, work, and connect. We strive to understand the needs of our tenants and manage our properties to the highest standard.

We aspire to develop **healthy, resilient communities** through our dedication to **social**, **economic**, and **environmental** sustainability. In everything we do, we are guided by a shared set of values grounded in **Care, Ownership, Respect and Excellence.**



# Proven Strategic Framework

GOALS

**Creating  
Enduring Value:**

Preservation  
of capital

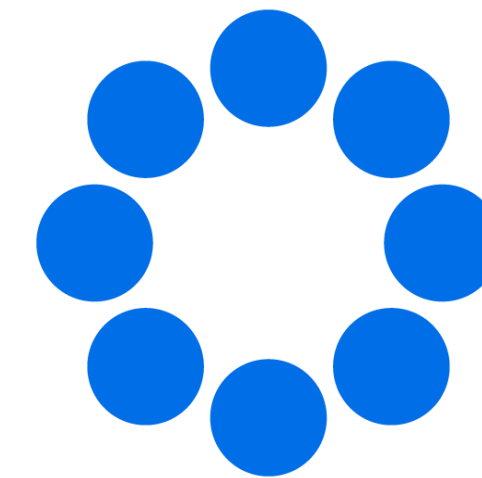
Stable and growing  
cash flows

Increases in NAV and  
distribution over time

PRIORITIES

- 1 Maintaining**  
market-leading portfolio
- 2 Sustaining**  
operational excellence
- 3 Delivering**  
development pipeline

VALUES



**CORE  
Values**

**Care**

**Ownership**

**Respect**

**Excellence**

**Foundation**

**Continuing to strengthen our unmatched foundation**



# Our Near-Term Focus

## Priorities

**1** **Maintaining**  
market-leading  
portfolio

**2** **Sustaining**  
operational  
excellence

**3** **Delivering**  
development  
pipeline

## Building for the Future.

Maximizing value in our  
core asset classes  
Improving quality through  
balanced capital recycling

Delivering best-in-class property  
operations capabilities

Executing on our near-term  
Industrial opportunity  
Creating value by  
advancing our Mixed-Use  
and Residential platform

## Foundation

- Strategic relationship with Canada's largest retailer
- Industry leading balance sheet
- Embedded ESG
- Experienced, engaged and diverse team

# Market Leading Portfolio



# Three Strategic Asset Classes

Strategically positioned across three asset classes



**80%**

**Retail**

Necessity-based grocery anchored retail portfolio



**15%**

**Industrial**

Flexible well-located industrial portfolio

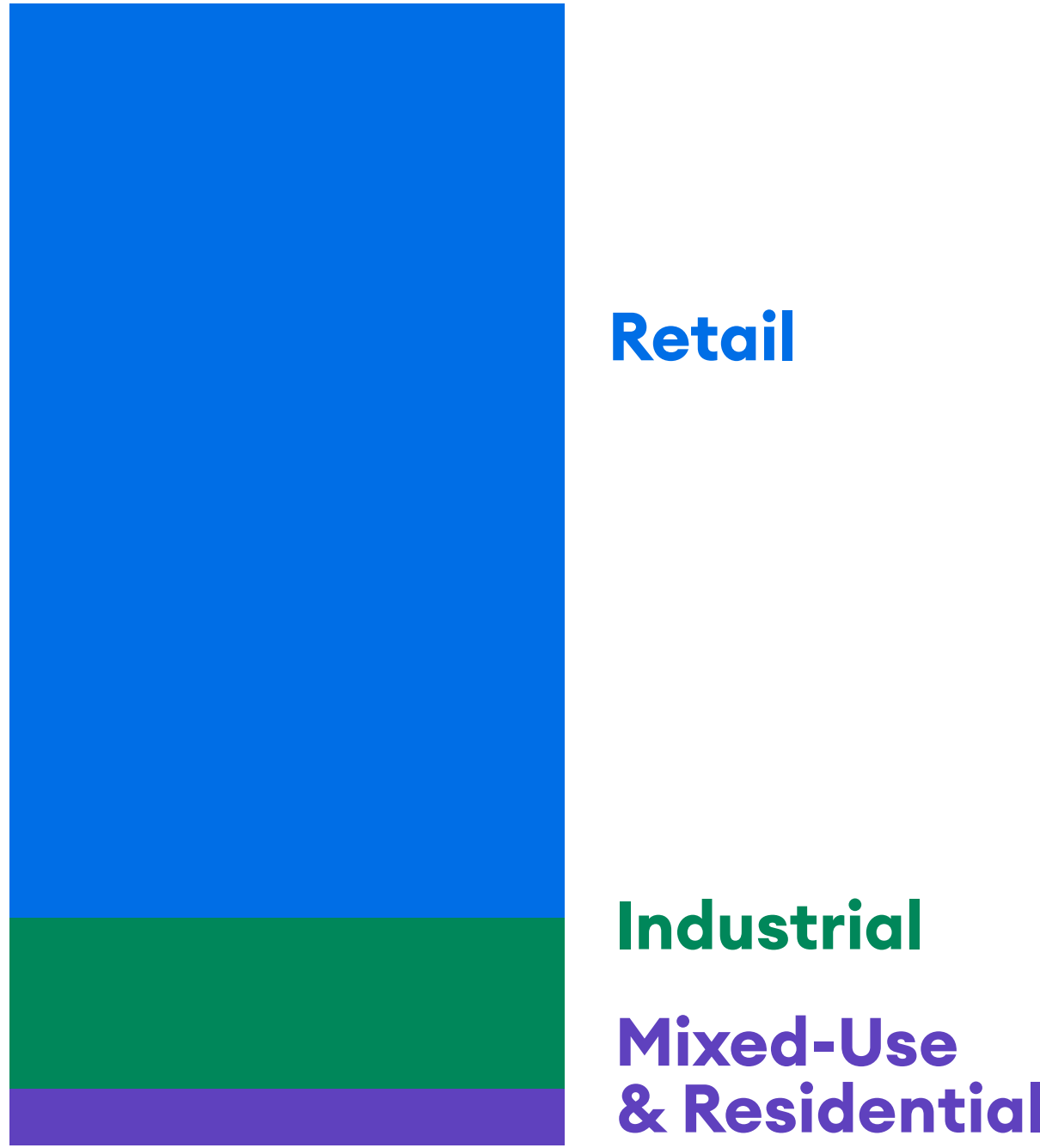


**5%**

**Mixed-use & Residential**

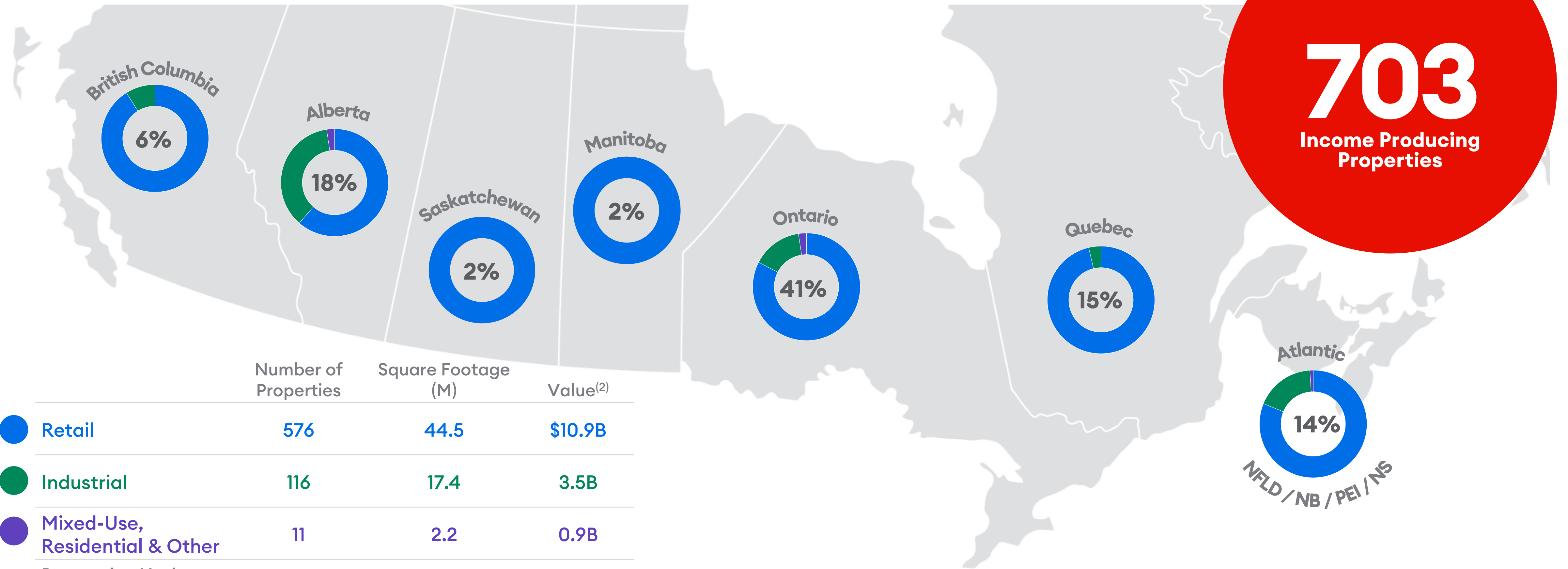
Transit oriented mixed-use and residential portfolio

Portfolio Mix by Asset Class <sup>(1)</sup>



(1) Calculated as a % of total NOI on a cash basis for the three months ended March 31, 2023

# A Snapshot of Choice<sup>(1)</sup>



	Number of Properties	Square Footage (M)	Value <sup>(2)</sup>
<span style="color: blue;">●</span> Retail	576	44.5	\$10.9B
<span style="color: green;">●</span> Industrial	116	17.4	3.5B
<span style="color: purple;">●</span> Mixed-Use, Residential & Other	11	2.2	0.9B
Properties Under Development	--	--	1.1B
<b>Total</b>	<b>703</b>	<b>64.2</b>	<b>\$16.4B</b>

(1) Calculated as a % of cash NOI for the three months ended March 31, 2023

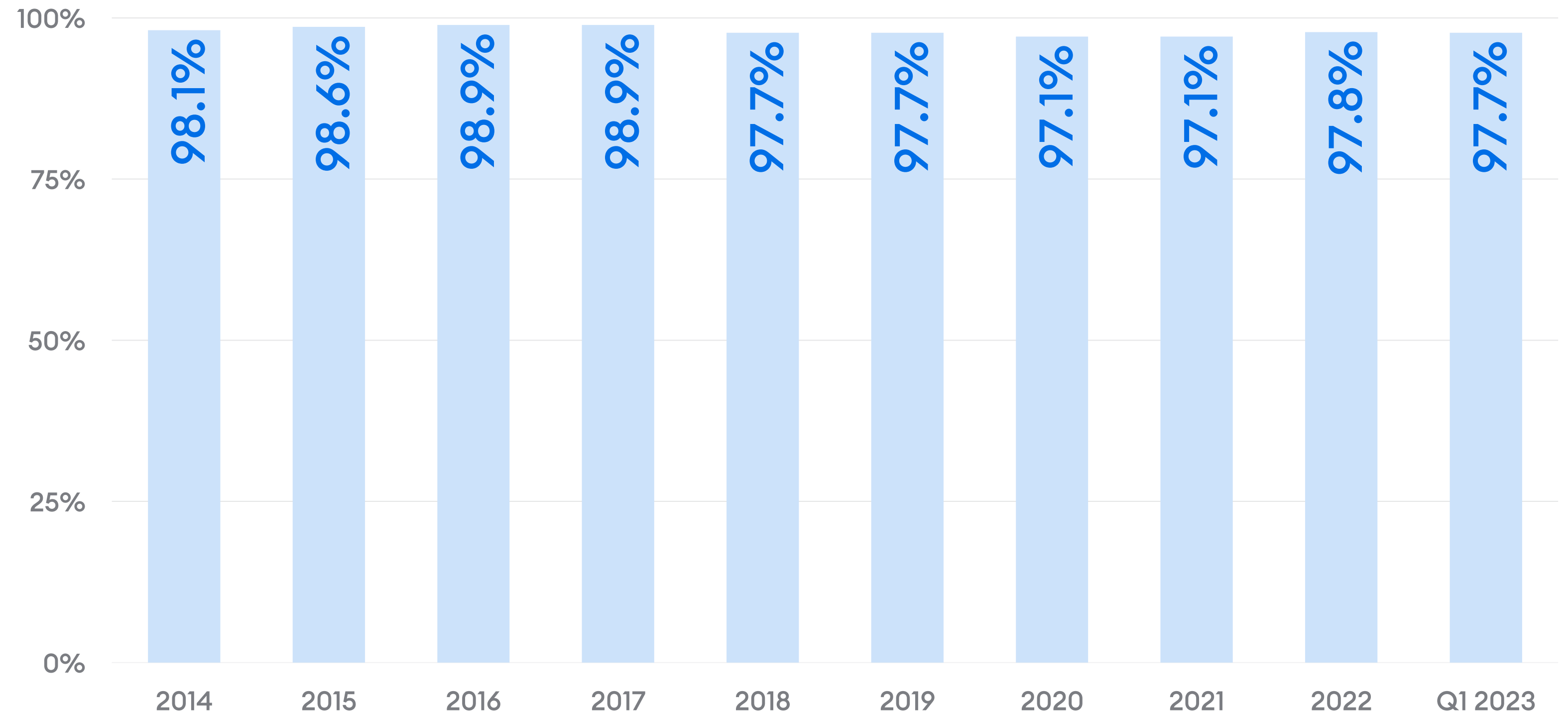
(2) Investment property value is shown on a proportionate share basis

# Stable and Consistent Occupancy

## Occupancy

Retail	97.9%
Industrial	98.3%
Mixed-Use & Residential <sup>(1)</sup>	87.9%
Total	97.7%

## Occupancy by Year



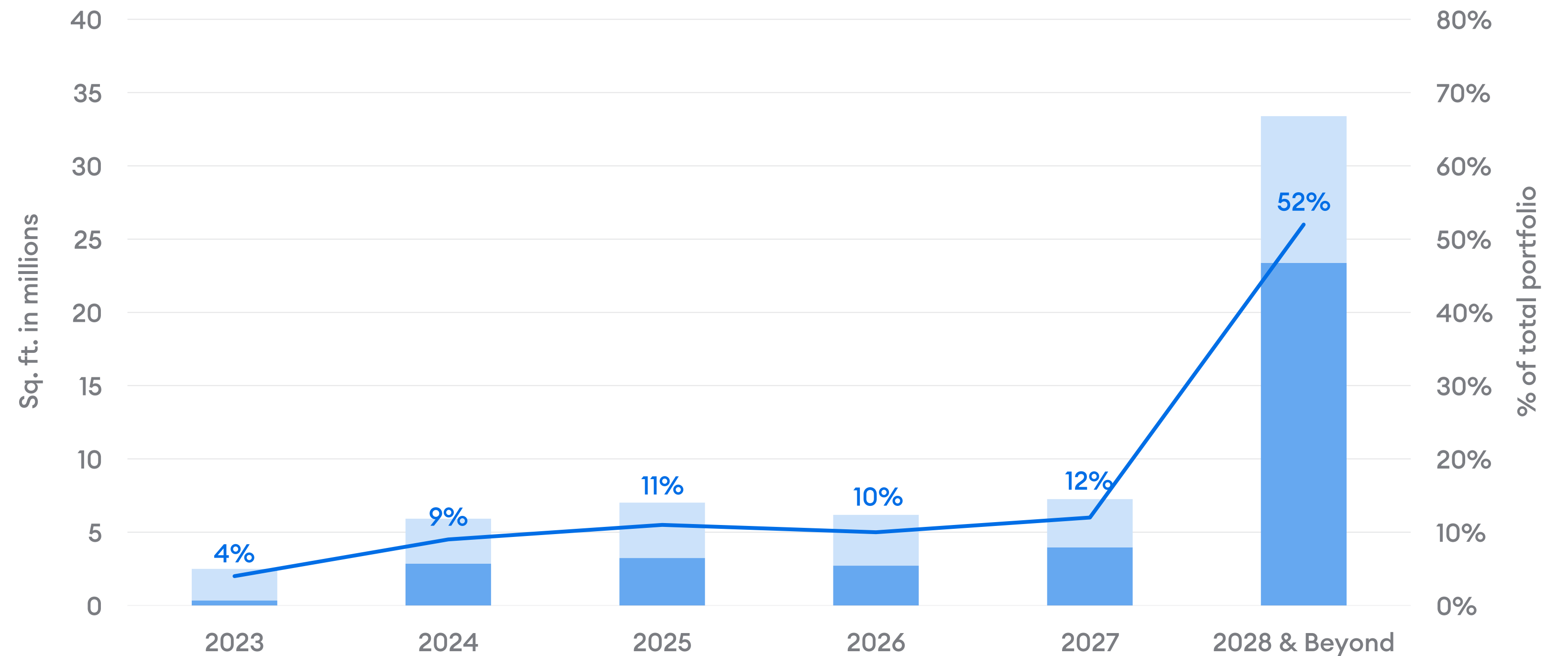
<sup>(1)</sup> Segment includes remaining office properties; occupancy disclosed excludes residential units

# Long-Term Leases

Lease profile provides cash flow stability

## Lease Expiry by Year

- Loblaw
- Other
- % of Portfolio



# Winning Retail Portfolio



**Necessity-based, well-located assets supported by strong anchor tenants**

# Winning Retail Portfolio



Necessity-based, well-located assets supported by strong anchor tenants

**44.5M**

sq. ft. of GLA

**576**

Properties

**\$10.9B**

Fair value

**97.9%**

Occupancy





# Strong Necessity-Based Retail Anchor Tenants

Reliable and stable cash flow

**+64%**

of revenue from Loblaw banners



**+67%**

of revenue is from grocery and pharmacy



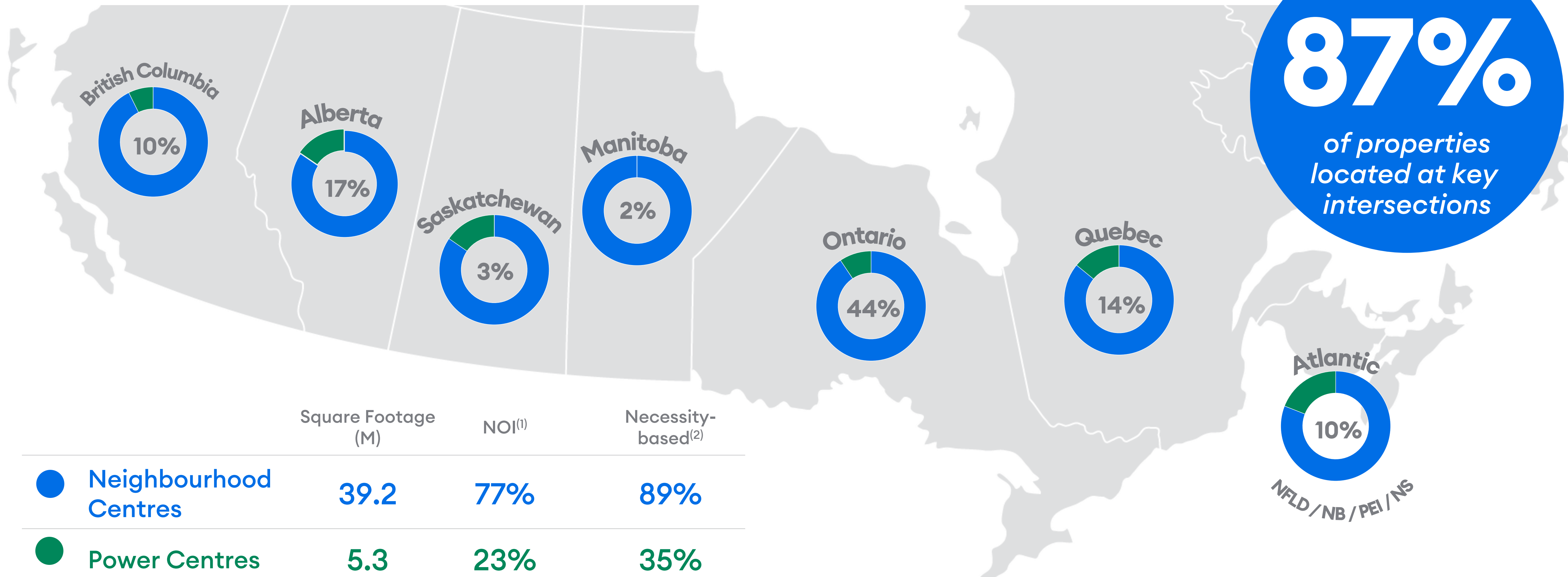
**+82%**

of revenue from necessity-based retail



Calculated as a % of the retail segment's gross rental revenue as at March 31, 2023

# Winning Retail Footprint <sup>(1)</sup>



	Square Footage (M)	NOI <sup>(1)</sup>	Necessity-based <sup>(2)</sup>
● Neighbourhood Centres	39.2	77%	89%
● Power Centres	5.3	23%	35%
<b>Total</b>	<b>44.5</b>	<b>100%</b>	<b>82%</b>

(1) Calculated as a % of cash NOI for the three months ended March 31, 2023

(2) Necessity-based calculated as a % of the retail segment's gross rental revenue as at March 31, 2023

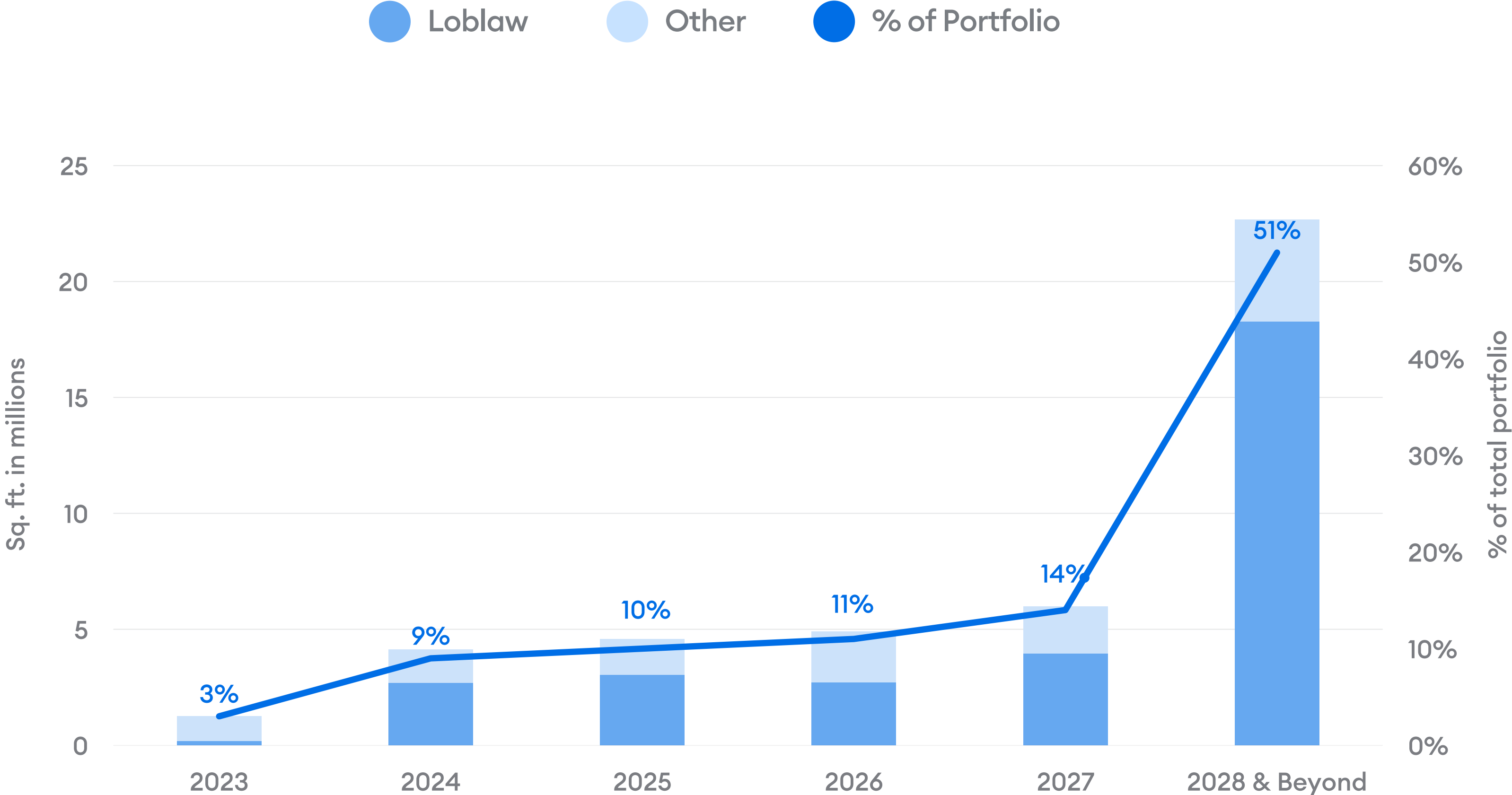
# Strong Tenant Retention

Reliable and stable cash flow

**97.9%**  
in-place  
occupancy

- Staggered renewals
- High-probability of renewal
- Strong-covenant tenants

### Lease Expiry by Year



# High-Demand Industrial



**High-quality generic industrial assets  
in key distribution markets**

# High-Demand Industrial

 High-quality generic industrial assets in key distribution markets

**17.5M**

sq. ft. of GLA

**116**

Properties

**\$3.5B**

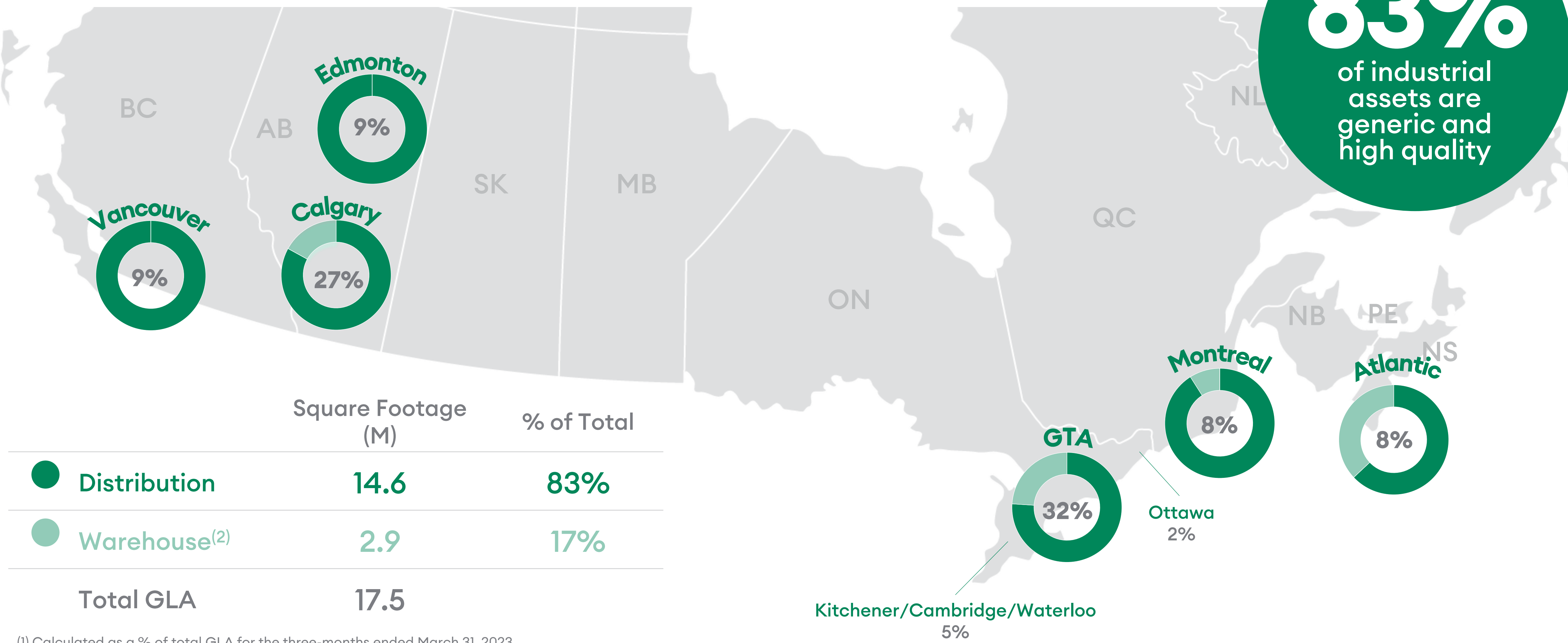
Fair value

**98.3%**

Occupancy



# High-Demand Industrial <sup>(1)</sup>



	Square Footage (M)	% of Total
<span style="color: green;">●</span> Distribution	14.6	83%
<span style="color: lightgreen;">●</span> Warehouse <sup>(2)</sup>	2.9	17%
<b>Total GLA</b>	<b>17.5</b>	

(1) Calculated as a % of total GLA for the three-months ended March 31, 2023  
 (2) Warehouse includes certain Small Bay assets

# Resilient Industrial Tenant Base

## Top 10 Tenants

1	Loblaws
2	Amazon
3	Canada Cartage
4	Wonderbrands
5	Uline Canada Corporation
6	Canadian Tire
7	Kimberly-Clark
8	Alberta Gaming, Liquor and Cannabis
9	NFI IPD
10	ECCO Heating Products

Calculated as a % of gross rental revenue for the three months ended March 31, 2023

Loblaw  
Companies  
Limited



amazon



Wonderbrands™



# Significant Embedded Growth

**\$8.49**

Choice avg. in-place rent

**\$15.99**

Market avg. rent <sup>(1)</sup>

## Major Market Breakdown

	Market Avg. Rent <sup>(1)</sup>	Choice Avg. Rent <sup>(2)</sup>
Vancouver	\$21.33	\$11.69
Calgary	\$10.81	\$7.89
Greater Toronto Area	\$17.77	\$8.22
Greater Montreal Area	\$16.65	\$9.31

(1) - Source CBRE Research, Industrial Canada Q1 2023

(2) - Average in place rent as of March 31, 2023



# Mixed-Use & Residential



**Purpose built rental in key markets**

# Mixed-Use & Residential



Purpose built rental  
in key markets

**2.2M**

sq. ft. of GLA

**11**

Properties

**\$0.9B**

Fair value

**87.9%**

Occupancy



# Mixed-Use & Residential Properties

## West Block Mixed-Use



Toronto, ON

GLA (sq. ft.) **259K**

Ownership **100%**

Major tenants:

- Loblaws
- LCBO

## The Weston Centre Mixed-Use



Toronto, ON

GLA (sq. ft.) **329K**

Ownership **100%**

Major tenants:

- George Weston Limited
- Wittington Investments, Limited
- Choice Properties REIT

## The Brixton Residential



Toronto, ON

Units **397 units**

Ownership **50%**

## Liberty House Residential



Toronto, ON

Units **440 units**

Ownership **50%**

# Transformational Development



# Developing with Purpose

Diversifying our tenant base while delivering steady growth



## Retail Intensifications

Delivering steady growth and maintaining portfolio quality

## Near-Term Industrial

Capitalizing on market trends with 7.0M sq. ft of high-quality industrial developments

## Mixed-Use & Residential

Transforming communities with long-term development opportunities

# Maximizing Development Opportunities

Our competitive advantages

## Land Cost

Competitive land cost base  
across development sites

## Redevelopment

Developing on existing  
income producing retail  
sites

## Key Locations

Developments located  
in key markets

## Transit Oriented

Focused on  
residential near transit

## Loblaw Advantage

Transparent relationship  
focused on long-term planning  
and site maximization

## Integrating ESG

Maintaining ESG leadership  
through sustainably focused  
development

# Development Pipeline

**18.2M** sq. ft.

Active

Zoned and Ready

In Planning

Total <sup>(1)</sup>

sq. ft.	2.0M	sq. ft.	9.4M	sq. ft.	6.8M	sq. ft.	18.2M
Retail	0.2M	Retail	0.2M	Retail	n/a	Retail	0.4M
Industrial	1.6M	Industrial	5.6M	Industrial	n/a	Industrial	7.2M
Mixed-Use & Residential	0.2M	Mixed-Use & Residential	3.6M	Mixed-Use & Residential	6.8M	Mixed-Use & Residential	10.6M

(1) At Choice's Share

# Prudent Financial Management





# Measuring Financial Success

Proven Stability. Positioned for Growth.

## PRIORITIES

- 1 Maintaining market-leading portfolio**
- 2 Sustaining operational excellence**
- 3 Delivering development pipeline**

### ✓ **Stable and growing cash flows from existing portfolio**

- Maximizing value in our core asset classes
- Improving quality through balanced capital recycling
- Delivering best-in-class property operations capabilities

### ✓ **Growth through development pipeline**

- Continuing to deliver retail intensifications
- Executing on our near-term Industrial opportunity
- Creating value by advancing Mixed-Use and Residential platform

### ✓ **Maintaining our industry leading balance sheet**

- Prudent financial management driving stable leverage metrics
- Ability to fund development pipeline

### ✓ **Stable and growing distribution**

- 1% distribution increase in 2023 with current distribution yield of 5% <sup>(1)</sup>

## FINANCIAL GOALS

**Preservation of capital**

**Stable and growing cash flows**

**Increases in NAV and distribution over time**

(1) Based on unit price as of March 31, 2023 of \$14.52 and a distribution of \$0.75

# Significant Financial Capacity

**BBB (High)**

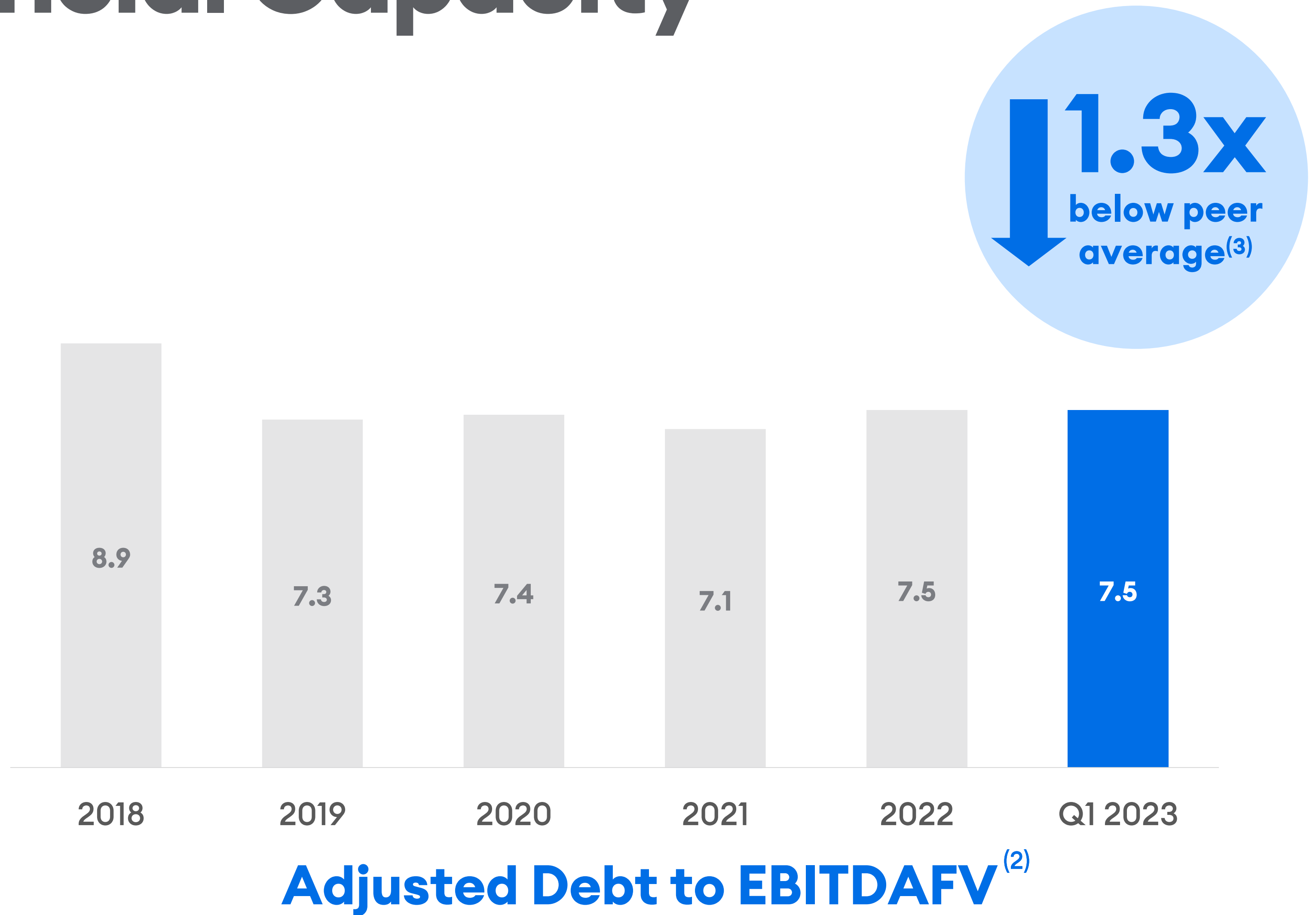
DBRS credit rating

**\$12.5B**

unencumbered assets<sup>(1)</sup>

**\$1.4B**

unused portion of revolving credit facility<sup>(1)</sup>



(1) As at March 31, 2023

(2) Represents a non-GAAP measure

(3) Source: Q4 2022, RBC Research Report

# Capital Structure Targets

Maintaining financial stability

	Q1 2023	Target Range
Unused portion of revolving credit facility	✓ 1.4B	> 1.0B
Adjusted debt to EBITDAFV <sup>(1)</sup>	✓ 7.5x	~7.5x
Weight average term to maturity	✓ 6.0 years	~5.0 years
Credit rating <sup>(2)</sup>	✓ BBB (High)	BBB (High)
Leverage ratio	✓ 41.0%	< 50%

(1) Represents a non-GAAP measure

(2) DBRS rating

(3) Mortgages and secured facilities are presented on a proportionate share basis

9%	Mortgages and Secured Facilities <sup>(3)</sup>	\$1.6B
32%	Unsecured Debentures	\$5.5B
	Unsecured Credit Facility (\$1.5B total capacity)	\$0.1B
	Total Unsecured	\$5.6B
59%	Trust & Exchangeable Units	\$9.8B

# Debt Maturity Profile <sup>(1)</sup>

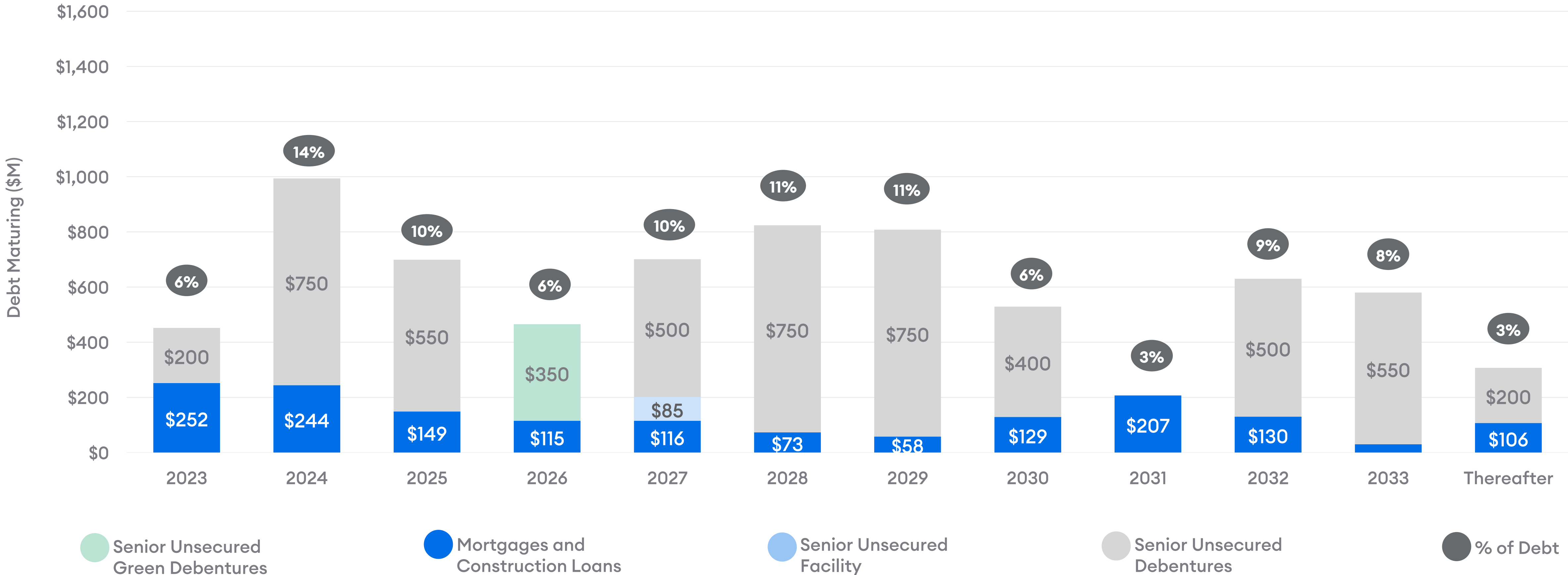
Well-balanced debt ladder

3.97%

WAIR<sup>(2)</sup>

6.0  
Years

WATM<sup>(2)</sup>



(1) As of March 31, 2023, on a proportionate share basis

(2) Fixed rate debt only

# Environment, Social & Governance Program



# Building Healthy, Resilient Communities

Commitment to ESG practices is **integral to our purpose** of creating enduring value.

Aspire to develop healthy, resilient communities through our dedication to **social**, economic and **environmental** sustainability.

ESG program is focused around **two pillars** which align with stakeholder interests:



**Fighting  
Climate Change**



**Addressing  
Social Equity**

# Fighting Climate Change

Committed to doing our part to preserve our planet's resources for current and future generations.

## Net-Zero

One of the first entities to have its net zero emissions targets validated by the Science Based Targets initiative (SBTi)

## Green Buildings

Over 40M sq. ft. certified under LEED or BOMA BEST

## Climate Action

Published inaugural Pathway to Net Zero report outlining the necessary actions to achieve emissions targets



# Advancing Social Equity

Hold ourselves accountable for advancing diversity, equity and inclusion for all stakeholders. We view the collection of varied experiences, talents and perspectives as a strength.

## Culture

Named one of Greater Toronto's Top Employers (2023) in recognition of colleague-focused programs including hybrid work

## Choice Cares

Over \$620K and 1,220+ hours of colleague time donated to Canadian charities in support of empowering youth in low-income communities

## Diversity

Achieved the Women Lead Here 2022 benchmark in recognition of representation of women on our leadership team





# Strong Governance

Dedicated to governance practices designed to maintain high standards of oversight, accountability, ethics and compliance.

## Recognition

Achieved an ISS ESG Prime rating and improved GRESB Rating to 4-star (scored 82 on a 100-point scale)

## Cybersecurity

Cybersecurity maturity rating exceeds the industry benchmark by over 20%

## Suppliers

Released our Supplier Code of Conduct and implemented it on large new contracts



# Appendices



# Transformational Industrial Development



# Choice Industrial Centre Surrey, BC

- 17-acre
- 353K sq. ft.
- Well situated in **Campbell Heights** industrial node
- New generation logistic facility
- Pursuing **LEED Silver** certification



# Choice Eastway Industrial Centre – Phase 1 East Gwillimbury, ON

- 100-acre ground lease with Loblaw
- 1.2M sq. ft.
- Automated, multi-temperature industrial facility
- Strategically located at corner of Hwy 404 and Green Lane E.
- Partner: RICE Group

# Choice Caledon Business Park Caledon, ON

Airport Road

Mayfield Road

Torbram Road

- **380-net acres** of industrial development land
- **Excellent access** to major highways and intermodals
- Strong labour pool
- **Multi-phase** industrial park
- **New generation** logistic space
- Partner: RICE Group

# Active Residential Development



# Mount Pleasant Village Brampton, ON

- 444 units
- Directly adjacent to Mount Pleasant GO station
- **Geothermal System** offers low-carbon heating & cooling
- Partner: Daniels





# Element Ottawa, ON

- 252 units
- Located in trendy Westboro neighbourhood
- Close proximity to transit
- Partner: Woodbourne Canada



# Mixed-Use & Residential in Planning



# Grenville & Grosvenor Toronto, ON



- 1-acre site in Downtown Toronto
- 700+ units
- Provincial Affordable Housing Lands Program
- Transit accessible
- Partner: Greenwin



Walk Score



Transit Score



Bike Score



**Golden Mile – Toronto, ON**

- **19-acre** site in Toronto
- Adjacent to **two new transit stations** along Eglinton Crosstown LRT
- Large **mixed-use** community
- High density residential and retail

# Golden Mile Toronto, ON

## Phase 1

- 1 rental tower and 2 condo towers
- 1,350 units
- Mixed-use
- **Community innovation district**
- Partner: Daniels

# 720 Broadview Ave. Toronto, ON

- **3.3-acre site**
- **500 units**
- **1 residential building**
- **Directly across from Broadview TTC subway station**
- **New grocery store**
- **Dedicated public park**



2280 Dundas St. W – Toronto, ON



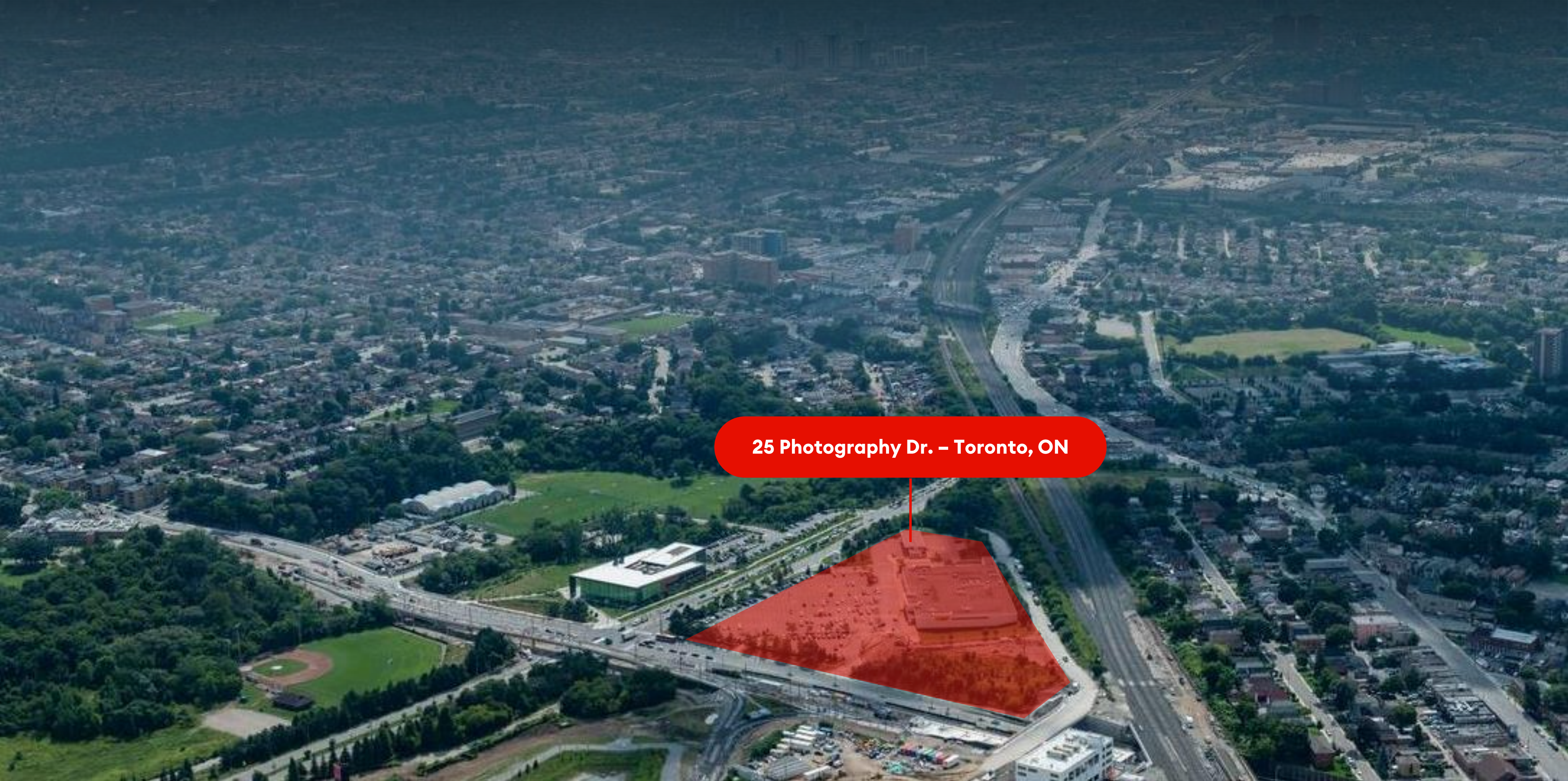
# 2280 Dundas St. W Toronto, ON

- 13-acre site in Downtown Toronto
- Major transit hub (TTC, GO Train, UP Express)
- Large mixed-use community
- High density residential, retail and office



# Parkway Forest Dr. Toronto, ON

- **3-acre site**
- **339 units**
- **1 residential building**
- **Close proximity to Don Mills TTC subway station**
- **Partner: Woodbourne Canada**



25 Photography Dr. - Toronto, ON

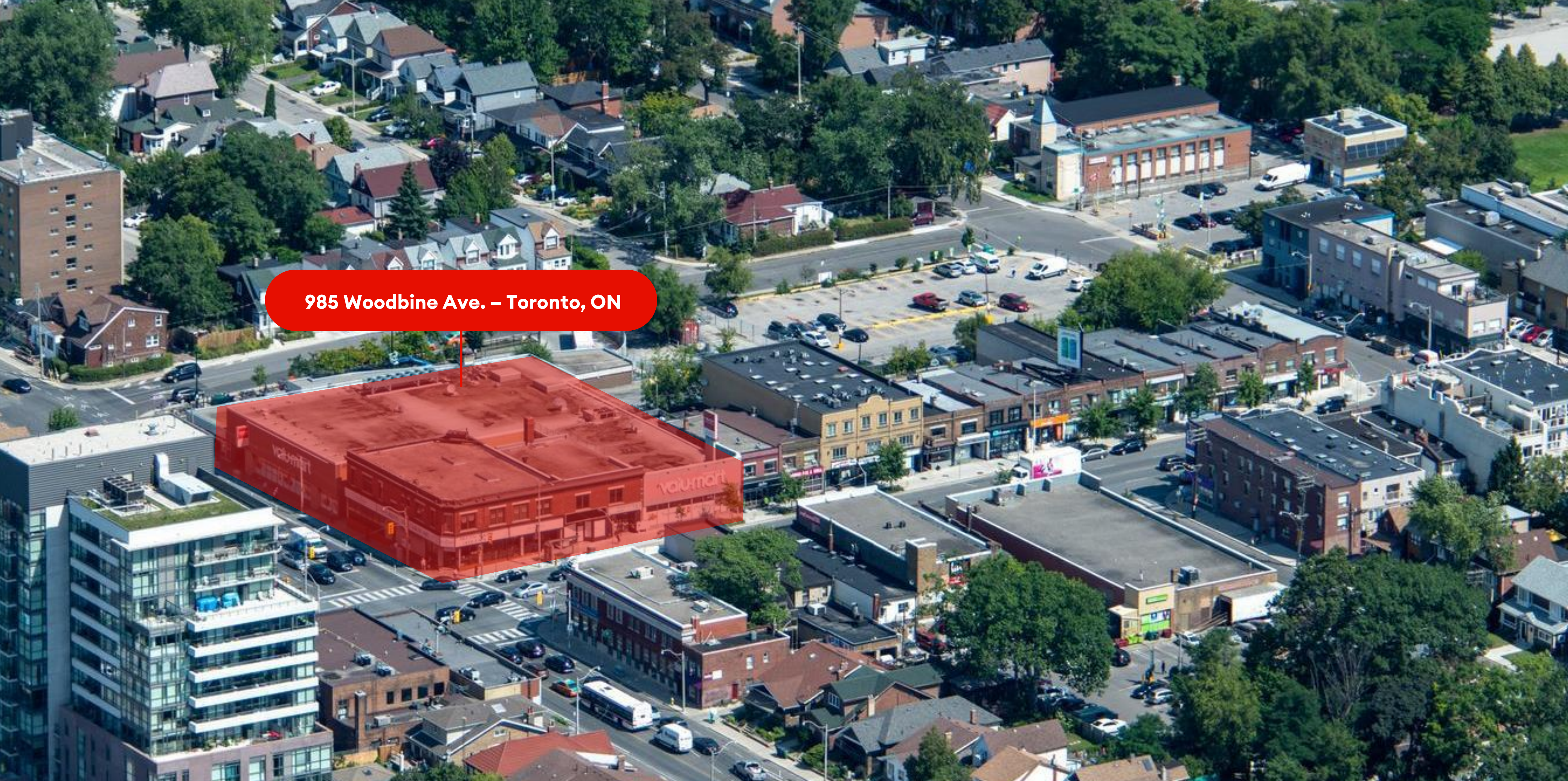
# 25 Photography Dr. Toronto, ON

- **7.7 -acre site**
- **7 mixed-use buildings**
- **Major transit hub**  
(Eglinton Crosstown LRT, GO Train, UP Express)
- **Community integration**

# 685 Warden Ave. Toronto, ON

- 6.5-acre site
- 1,500 units
- 6 residential buildings
- Directly adjacent to Warden TTC subway station
- Dedicated public park





985 Woodbine Ave. - Toronto, ON

# 985 Woodbine Ave. Toronto, ON



- 1.7-acre site in Downtown Toronto
- Two mid-rise rental residential buildings
- 400 units
- Directly adjacent to Woodbine TTC subway station
- Grocery retail at-grade



- **5.6-acre site**
- **3 mixed-use buildings**
- **1,080 units**
- **Transit-oriented community**
- **Future stop on Ontario Line**

**449 Carlaw Ave. – Toronto, ON**



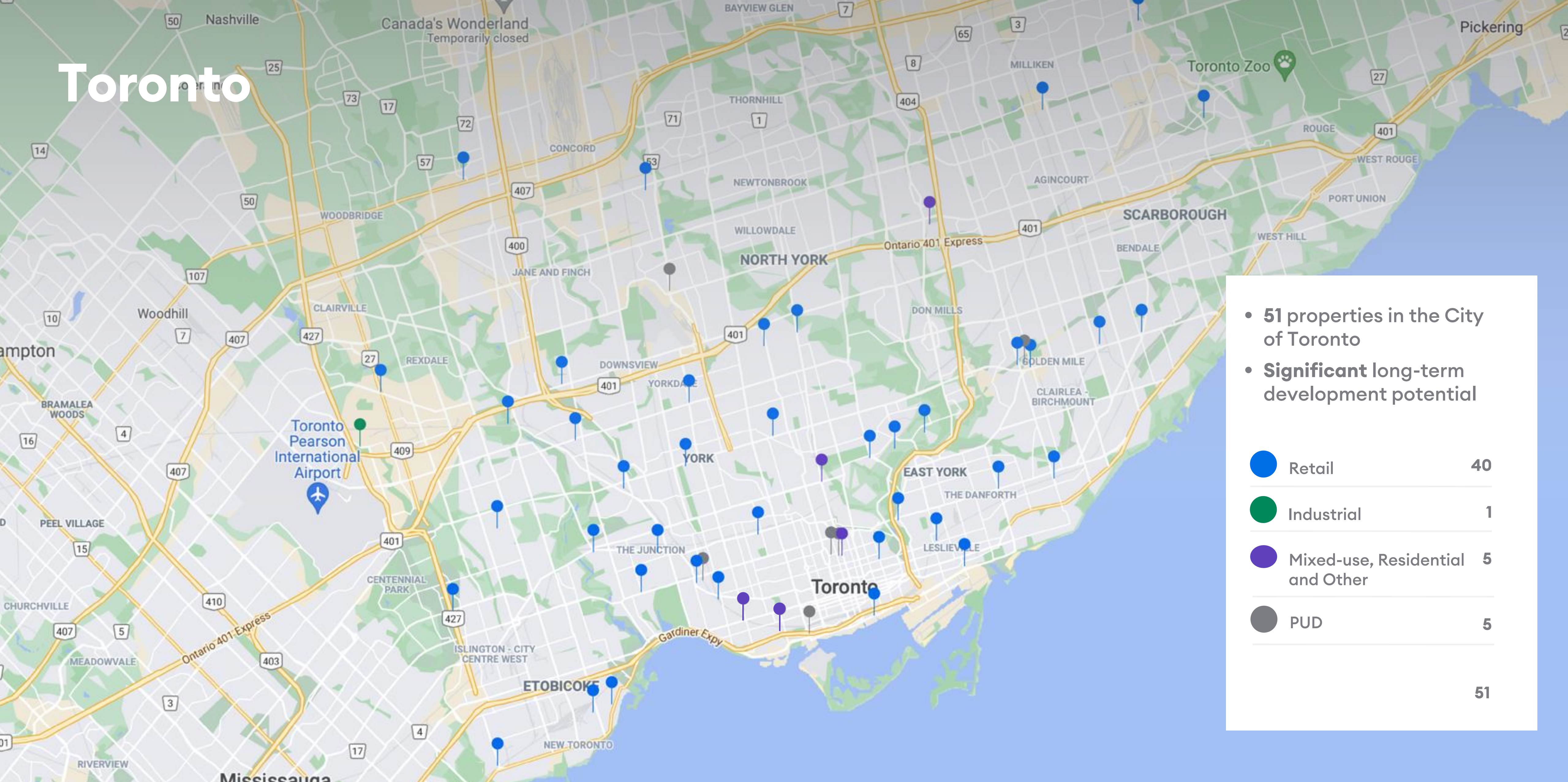
# Immense Value Opportunity

Choice Properties continues to grow and create value through its pipeline of potential commercial and mixed-use developments.





# Toronto



# 17 Leslie St. Toronto, ON

- 6-acre site
- Close proximity to Queen Streetcar

# 10 Lower Jarvis St. Toronto, ON

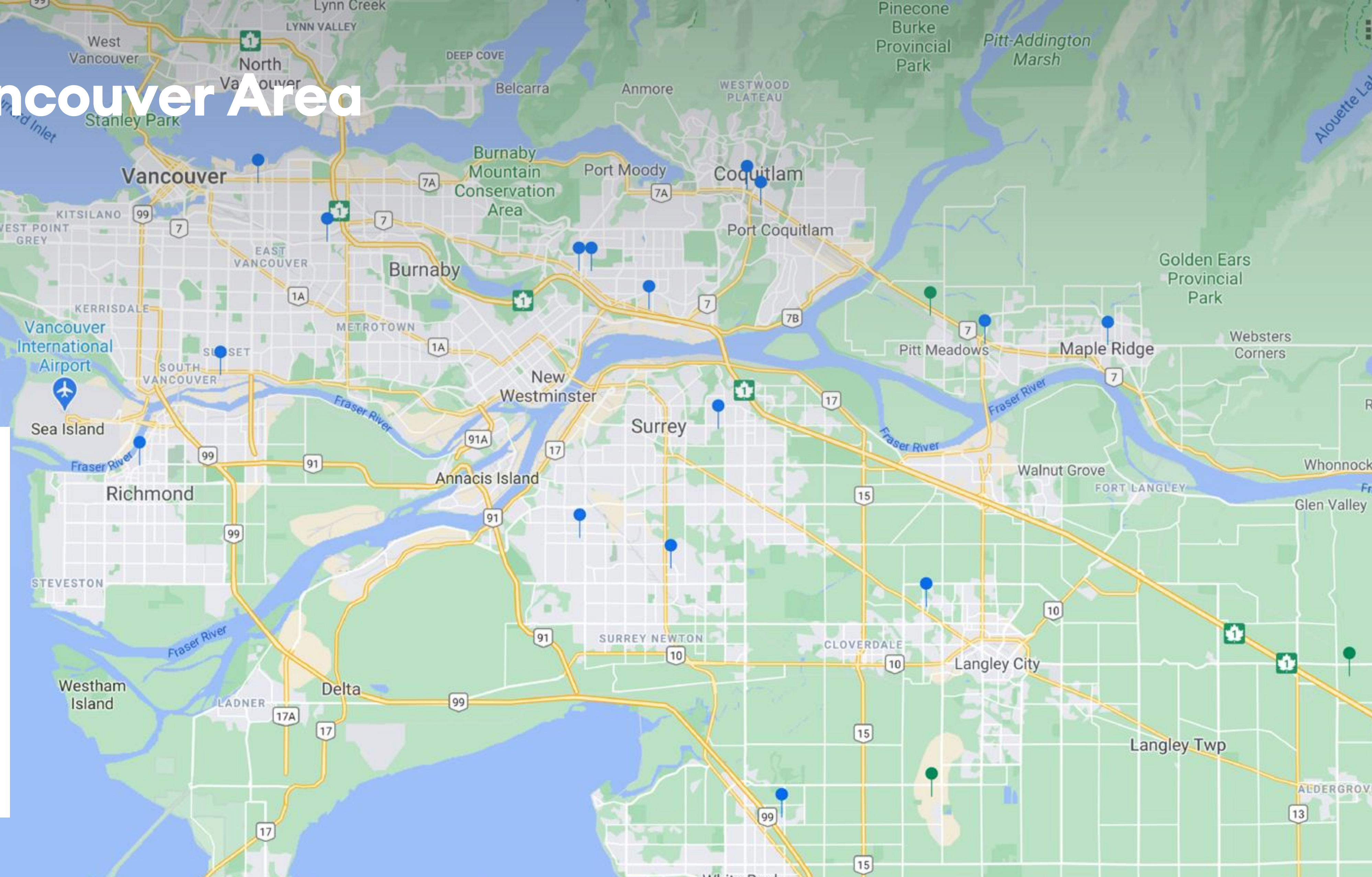
- 4-acre site
- Core downtown location

# Greater Vancouver Area

- 19 properties in the GVA
- Significant long-term development potential.

● Retail	16
● Industrial	3

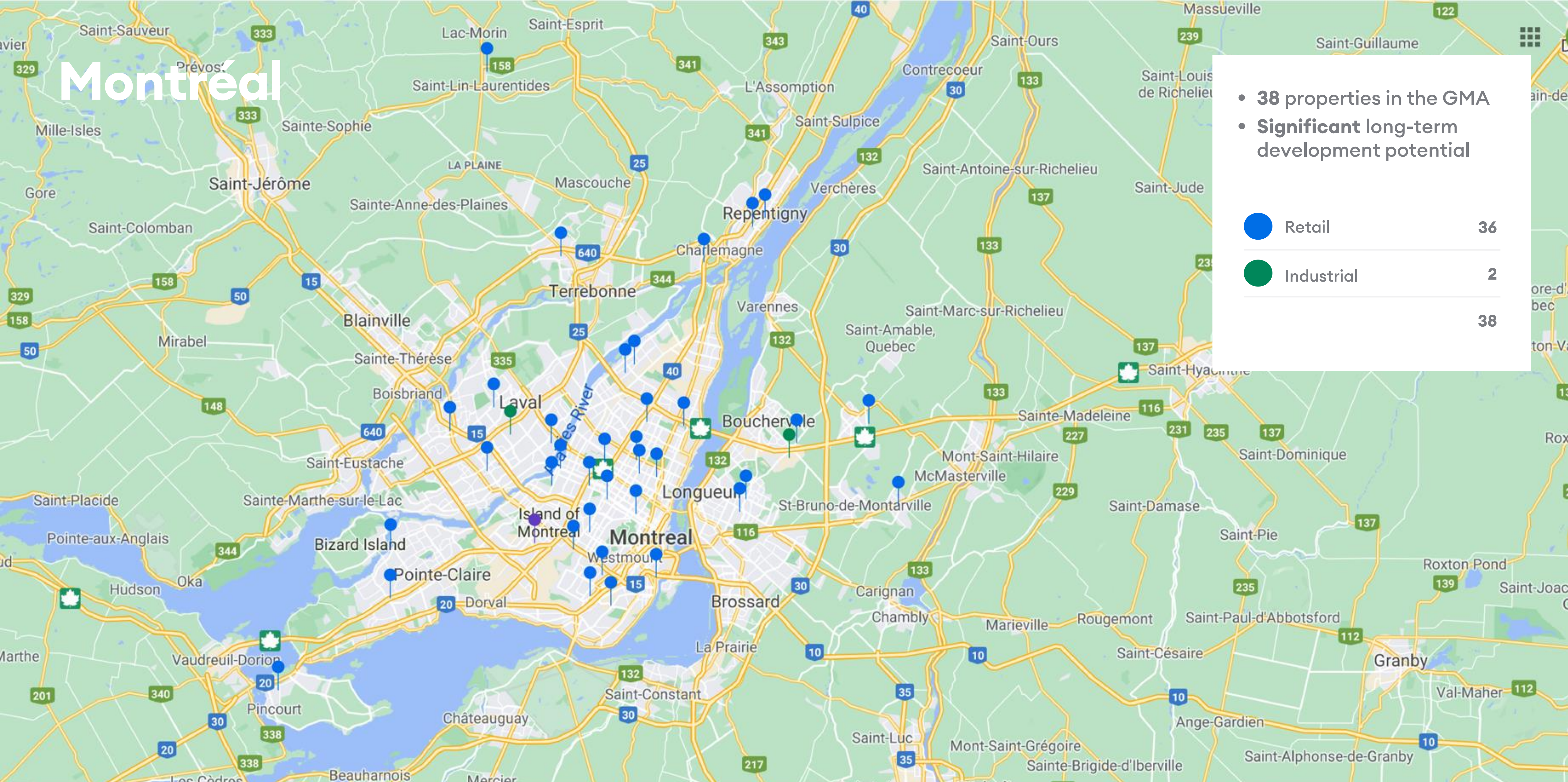
19





# North Road Coquitlam, BC

- **7.8-acre** site in city centre
- Access to **two lines** of Vancouver SkyTrain
- **Revitalization** into mixed-use community
- High density residential and retail

# Montréal



- **38** properties in the GMA
- **Significant** long-term development potential

 Retail	<b>36</b>
 Industrial	<b>2</b>
	<b>38</b>

**Choice**Properties