

# Delivering Today. Building for the Future.

Investor Day 2023

ChoiceProperties



About Choice Properties

# Creating Enduring Value



Video

# Welcome

Choice Properties Investor Day



**Erin**  
**Johnston**

Vice President, Finance



## Forward Looking Statement

This presentation contains forward-looking statements about Choice Properties' objectives, outlook, plans, goals, aspirations, strategies, financial condition, results of operations, cash flows, performance, prospects, and opportunities. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may", "should" and similar expressions, as they relate to Choice Properties and its management, and are expressly qualified in its entirety by this cautionary statement. 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 Choice Properties' future growth potential, prospects and opportunities, industry trends, future levels of indebtedness, tax laws, economic conditions, capital expenditure and competition. Management's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events, including the COVID-19 pandemic, 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 Choice Properties' actual results to differ materially from those expressed, implied or projected in the forward-looking statements. Such risks and uncertainties include: changes in economic conditions, including changes in interest rates and the rate of inflation, 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, resources and costs related to such initiatives; changes in Choice Properties' competitiveness in the real estate market; the inability of Choice Properties to obtain debt or equity financing, at all or on commercially acceptable terms; changes in Choice Properties' capital expenditure and fixed cost requirements; changes in Choice Properties' degree of financial leverage; failure to adapt to environmental and social risks, including failure to execute against Choice Properties' environmental and social equity initiatives, and in the context of Choice Properties' 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; 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; the inability of Choice Properties to make acquisitions and dispositions of properties in accordance with its near and long-term strategies; failure by Choice Properties to effectively and efficiently manage its property and leasing management processes; and changes in laws or regulatory regimes, which may affect Choice Properties, including changes in the tax treatment of Choice Properties and its distributions to unitholders or the inability of Choice Properties to continue to qualify as a "mutual fund trust" and as a "real estate investment trust", as such terms are defined in the Income Tax Act. Certain material factors, estimates or assumptions were applied in drawing a conclusion or making a forecast or projection in this presentation and actual results could differ materially from such conclusions, forecasts or projections.

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. Additional risks and uncertainties are discussed in Choice Properties' materials filed with the Canadian securities regulatory authorities from time to time, including Choice Properties' 2022 Annual Report and Annual Information Form. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Choice Properties' expectations only as at the date of this document. 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.

## 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 15, "Non-GAAP Financial Measures", of the Choice Properties MD&A for the year ended December 31, 2022, and are reconciled to the most comparable GAAP measure. Choice Properties' consolidated financial statements and MD&A for the year ended December 31, 2022 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).

# Land Acknowledgement

## Land acknowledgement for Toronto

We acknowledge the land we are meeting on is the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples and is now home to many diverse First Nations, Inuit and Métis peoples. We also acknowledge that Toronto is covered by Treaty 13 with the Mississaugas of the Credit.

## Why do we acknowledge the land?

- Indigenous peoples have been acknowledging the land at the start of gatherings, ceremonies and events for time immemorial
- Provides time for reflection and demonstrates recognition of Indigenous lands, treaties, and peoples
- Recognizes the enduring presence and resilience of Indigenous peoples in this area

# Delivering Today. Building for the Future.



# Today's Speakers



**Rael Diamond**  
President & CEO



**Mario Barrafato**  
Chief Financial Officer



**Ana Radic**  
Chief Operating Officer



**Niall Collins**  
EVP, Development &  
Construction



**Mario Fatica**  
SVP, Commercial  
Development



**Andrew Reial**  
SVP,  
Industrial



**Simone Cole**  
VP, General Counsel  
& Secretary



**Erin Johnston**  
VP, Finance



**Nicole Vicano**  
VP, Retail Asset  
Management



**Joe Svec**  
VP, Planning



**Ariel Feldman**  
Senior Director,  
Sustainability



**Anton Gravets**  
Senior Director,  
Investments

# Agenda

## Strategic Direction

Rael Diamond - President & CEO

## Existing Portfolio

Ana Radic - Chief Operating Officer  
Nicole Vicano - VP, Retail Asset Management  
Andrew Reial - SVP, Industrial

## Relationship with Loblaw

Simone Cole - VP, General Counsel & Secretary  
Ana Radic - Chief Operating Officer  
Anton Gravets - Senior Director, Investments

David Muallim - VP, Real Estate, Loblaw  
Bruce Mooney - VP, Market Analytics, Loblaw

Panel

### Break

## Transformational Development

Niall Collins - EVP, Development & Construction  
Mario Fatica - SVP, Commercial Development  
Joe Svec - VP, Planning

## Leading in ESG

Ariel Feldman - Senior Director, Sustainability  
Ana Radic - Chief Operating Officer  
Mario Fatica - SVP, Commercial Development  
Erin Johnston - VP, Finance

Panel

## Relationship with George Weston

Rael Diamond - President & CEO

Galen Weston - Chairman & CEO,  
George Weston Limited

Panel

## Financial Review

Mario Barrafato - Chief Financial Officer

### Break

## Q & A

Choice Properties Senior Leadership Team



# Strategic Direction



**Rael  
Diamond**  
President & Chief Executive Officer



# Canada's Preeminent REIT

We own real estate that is essential to everyday life

**Canada's  
Largest REIT**

**Unmatched  
Necessity-Based  
Portfolio**

**Strategic  
Relationship  
with Canada's  
Leading Retailer**

**Largest  
Development  
Pipeline**

**Industry Leading  
Balance Sheet**

**ESG Leadership**

# Creating Enduring Value

We believe that value comes from creating spaces that improve how our tenants and communities come together to live, work, and connect



# Our 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



Care

Ownership

Respect

Excellence

Foundation

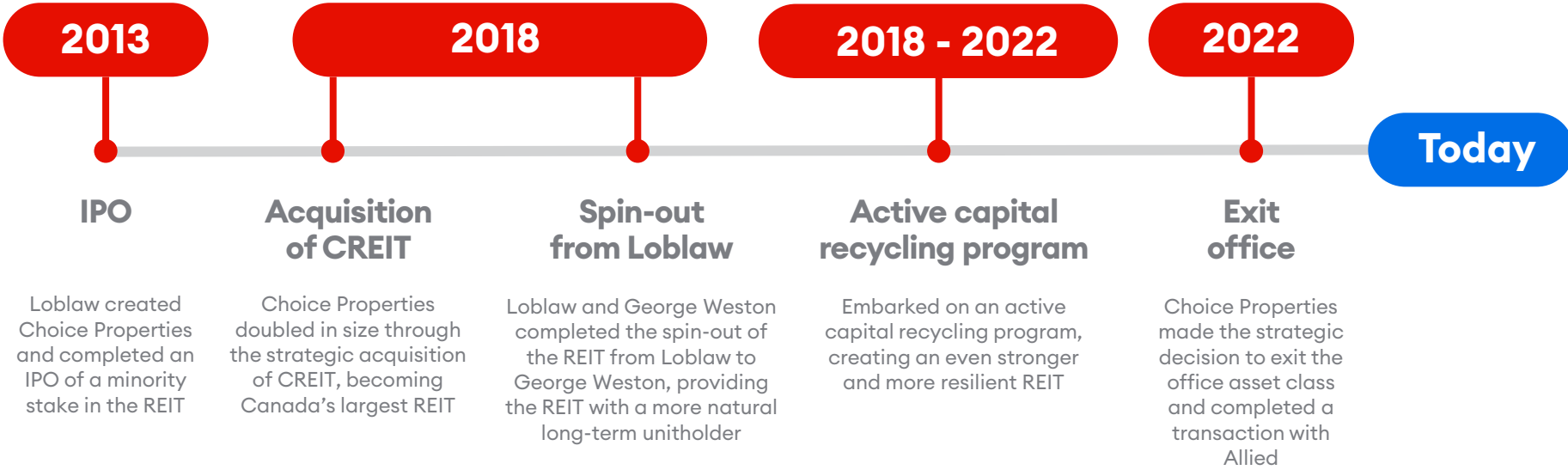
Continuing to strengthen our unmatched foundation

# Delivering Today.

A preeminent real estate entity

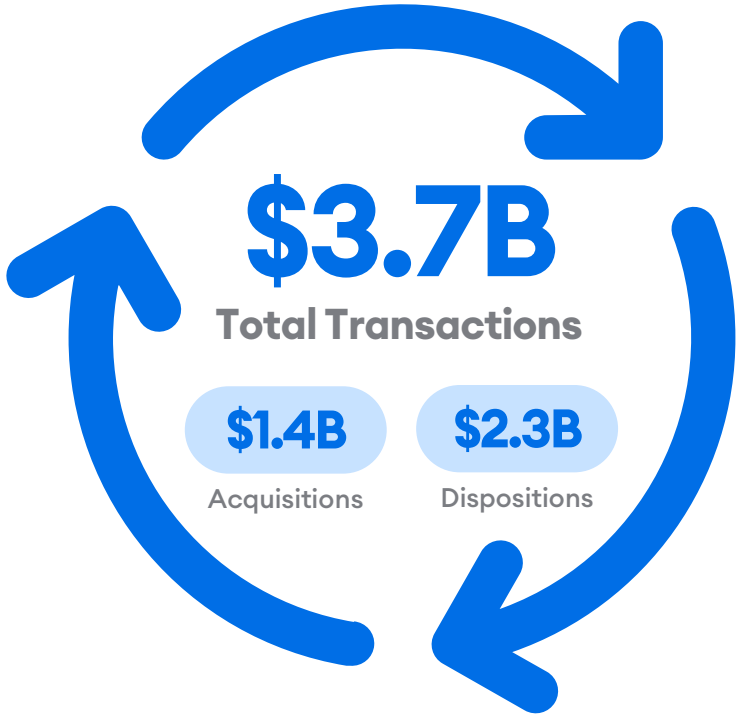
# Building a Preeminent Real Estate Entity

Stable and growth-oriented REIT



# Building a Market Leading Portfolio

- Upgrading retail quality
- Strategic land assemblies
- Taking advantage of strong market conditions
- Capitalizing on off-market opportunities
- Selling unproductive land
- Opportunistic pricing



**174**  
Properties

**99**  
Transactions

Transactions over the five-year period ending December 31, 2022

# Accelerated Our Exit From Office

Strategic transaction with Allied Properties allowed us to accelerate our exit from office

## Allied Properties REIT Transaction

6

Office properties sold

\$734M

Purchase price

8.5%

Ownership interest in Allied

2

Remaining office properties to be sold





# Established Best-in-Class Operating Platform

# 98%

## Occupancy

---



1 Maintaining market-leading portfolio

- **Active asset management**

2 Sustaining operational excellence

- **National leasing strategy with regional focus**
- **Highly-skilled property management team**

# Delivering on Our Development Pipeline

102

Completed projects  
in last 5 years

2.6M

GLA delivered  
in last 5 years

18

Projects in active  
development

27

Projects in  
planning



# Market Leading Portfolio

Strategically positioned across three asset classes



**80%**

**Retail**

Necessity-based grocery anchored retail portfolio



**15%**

**Industrial**

Flexible well-located industrial portfolio

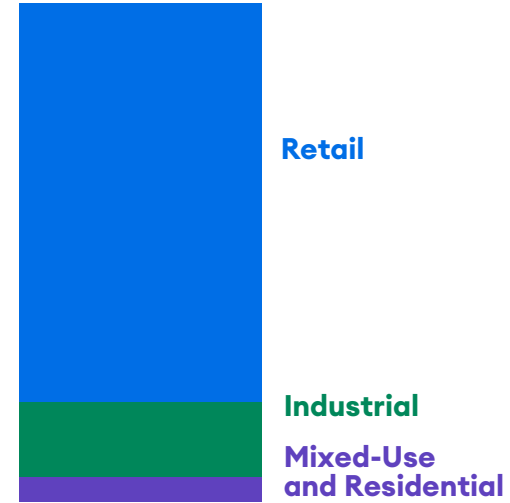


**5%**

**Mixed-use & Residential**

Transit oriented mixed-use and residential portfolio

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



<sup>1</sup> - Calculated as a % of total NOI on a cash basis for the three months ended December 31, 2022

# Unmatched Foundation

An unparalleled competitive advantage

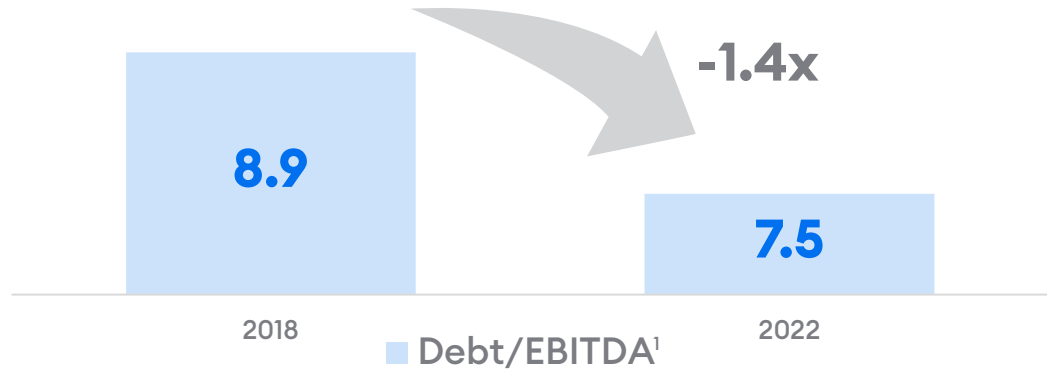
Unmatched Foundation

# Strategic relationship with Canada's largest retailer



Unmatched Foundation

# Industry-leading balance sheet



1 - Represents a non-GAAP measure

Unmatched Foundation

# Embedded ESG



**Fighting  
Climate  
Change**



**Addressing  
Social  
Equity**



**Ethics &  
Compliance**



Unmatched Foundation

# Experienced, engaged and diverse team

**19 years**

Average management  
team real estate  
experience

**> 85%**

Engagement  
scores

**50%**

Women  
Executives  
(VP+)





# Proven Strategic Framework

Driving stability and growth

# Canada's Preeminent REIT

We lead where it matters most

## Largest in Canada

**700+** high-quality properties

**3** strategic asset classes

## Unmatched Necessity-Based Portfolio

**81%** 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 revenue for the three months ended December 31, 2022.

# Achieving Our Goals

## FINANCIAL GOALS

Preservation  
of capital

Stable and growing  
cash flows

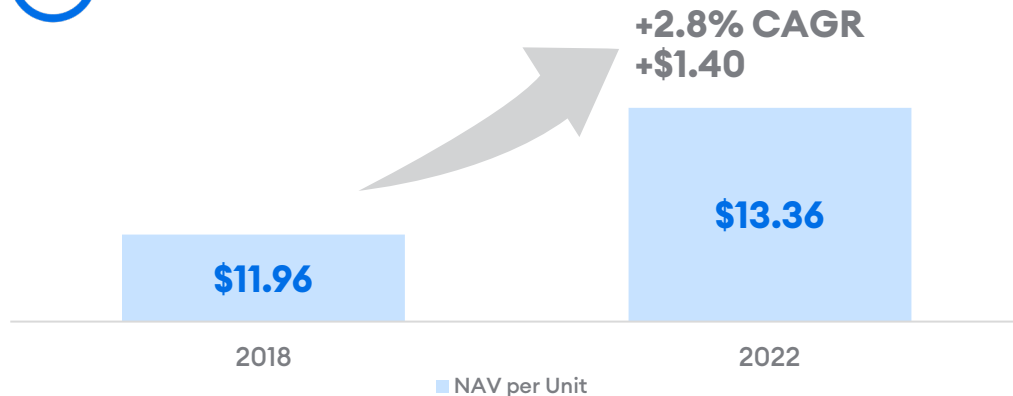
Increases in NAV and  
distribution over time



## Stable and growing distribution



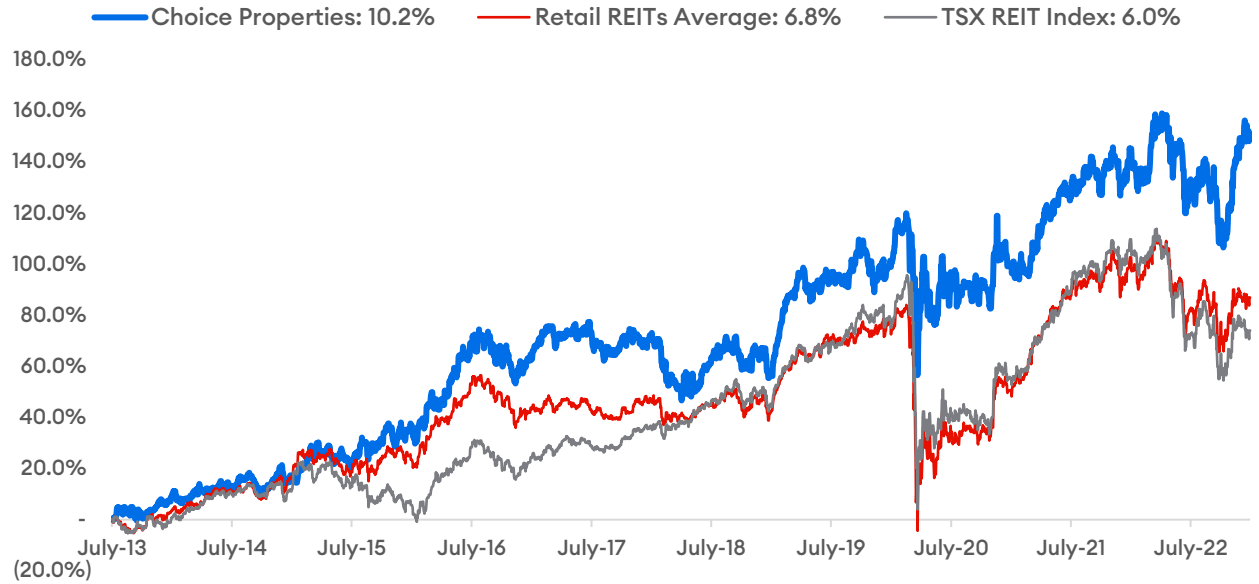
## NAV Growth



NAV per unit is a non-GAAP measure.

# Track Record of Sustained Outperformance

### Total Return Since Choice IPO



**10.2%**  
annualized return

2013 Choice IPO

**11.3%**  
annualized return

2018 CREIT Acquisition

Calculated at December 31, 2022, with distributions reinvested at spot price. Retail REIT peers include Crombie, Canadian Tire, First Capital, RioCan, SmartCentres

# Building for the Future.

Continued stability and growth

# Delivering on Our Strategic Framework

Key areas of 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
- Experience, engaged and diverse team

# Delivering Strong Unitholder Value

## Historical Average Return



## Consistent and Stable Financial Framework



1 - Assuming \$300M to \$350M average annual development spend and yield consistent with historical returns

2 - Based on 2-3% Same-Asset NOI growth on existing portfolio, balanced capital recycling activity and a stable AFFO reserve

3 - Based on unit price as of February 17, 2023 of \$14.80 and a distribution of \$0.75

4 - Calculated at December 31, 2022, with distributions reinvested at spot price

# Delivering Today. Building for the Future.



Existing Portfolio



Relationship with Loblaw



Transformational  
Development



Leading in ESG



Relationship with  
George Weston



Financial Review

- ✓ **Canada's preeminent REIT**
- ✓ **Focused and proven strategic framework**
- ✓ **Clear plan to maintain stability and deliver growth**
- ✓ **The right team to execute**



# Existing Portfolio



**Ana Radic**

Chief Operating Officer



**Nicole Vicano**

Vice President, Retail Asset Management



**Andrew Reial**

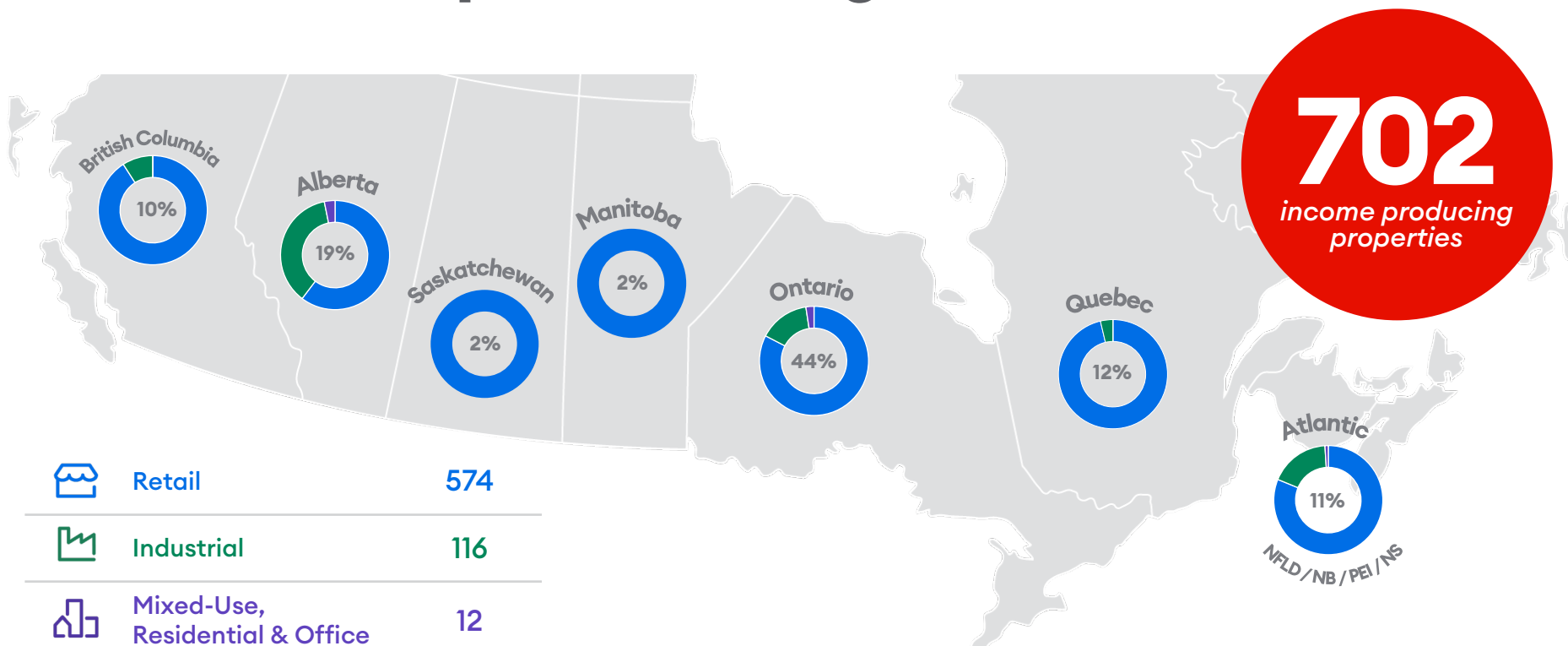
Senior Vice President, Industrial




# Best-in-Class Operating Platform

Supporting our 702 income producing properties

# National Footprint and Regional Focus



 Retail 574

 Industrial 116

 Mixed-Use,  
Residential & Office 12

Calculated as a % of total NOI on a cash basis for the three months ended December 31, 2022

# Strategically Positioned Across Three Asset Classes



## Retail

Necessity-based retail portfolio anchored by Loblaw



## Industrial

Generic industrial properties located in key markets



## Mixed-Use & Residential

A defensive asset class with attractive long-term growth prospects

# Market Leading Portfolio

High-quality and stable

- 1 High barrier-to-entry location
- 2 Functionality
- 3 Strong catchment area and demographics
- 4 Redevelopment or intensification potential

# Resilient Tenants

Consistent occupancy from strong covenant tenants



10-year average

Example tenants:



# Unmatched Anchor Tenant Relationship with Canada's Largest Retailer



## Long-term leases

with unparalleled covenant provide stability



## Strategic alliance agreement

provides a competitive advantage



## Collaborative

working relationship



## Transparency

and long-term planning

Exclusive to Choice

# Best-in-Class Operating Platform

Driving superior returns

**Property  
Management**

Highly-skilled  
management team

**Leasing**

National leasing  
with regional focus

**Asset  
Management**

Leading where  
it matters most



# ESG Leadership

**>40M**  
sq. ft.  
certified LEED or  
BOMA BEST

**52%**  
waste diverted  
from landfill

**61%**  
certified LEED or  
BOMA BEST



G R E S B



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Fitwel®  
Viral Response  
Certified




# 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

**44.2M**

sq. ft. of GLA

**574**

Properties

**\$10.7B**

Fair value

**97.8%**

Occupancy



# Strong Necessity-Based Retail Anchor Tenants

Reliable and stable cash flow

## +63%

of revenue from Loblaw banners



## +67%

of revenue is from grocery and pharmacy



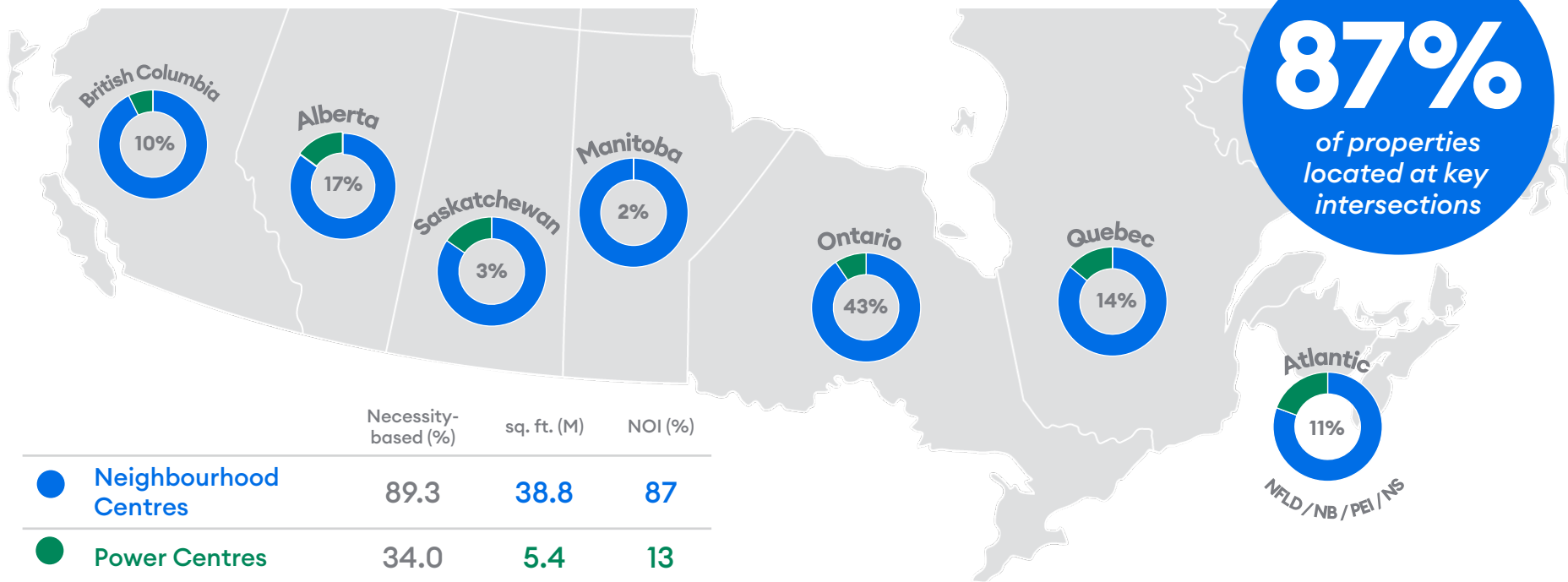
## +81%

of revenue from necessity-based retail



Calculated as a % of the retail segment's gross rental revenue as at December 31, 2022

# Winning Retail Footprint



	Necessity-based (%)	sq. ft. (M)	NOI (%)
<span style="color: blue;">●</span> Neighbourhood Centres	89.3	38.8	87
<span style="color: green;">●</span> Power Centres	34.0	5.4	13
<b>Total</b>	<b>81.2</b>	<b>44.2</b>	<b>100</b>

Provincial allocation calculated as a % of square footage as at December 31, 2022

Necessity-based calculated as a % of the retail segment's gross rental revenue as at December 31, 2022

# Standing Apart in the Canadian REIT Landscape

# 37M sq. ft.

**Grocery-anchored portfolio**

A true competitive advantage to preserve capital, drive cash flow and increase NAV over the long term



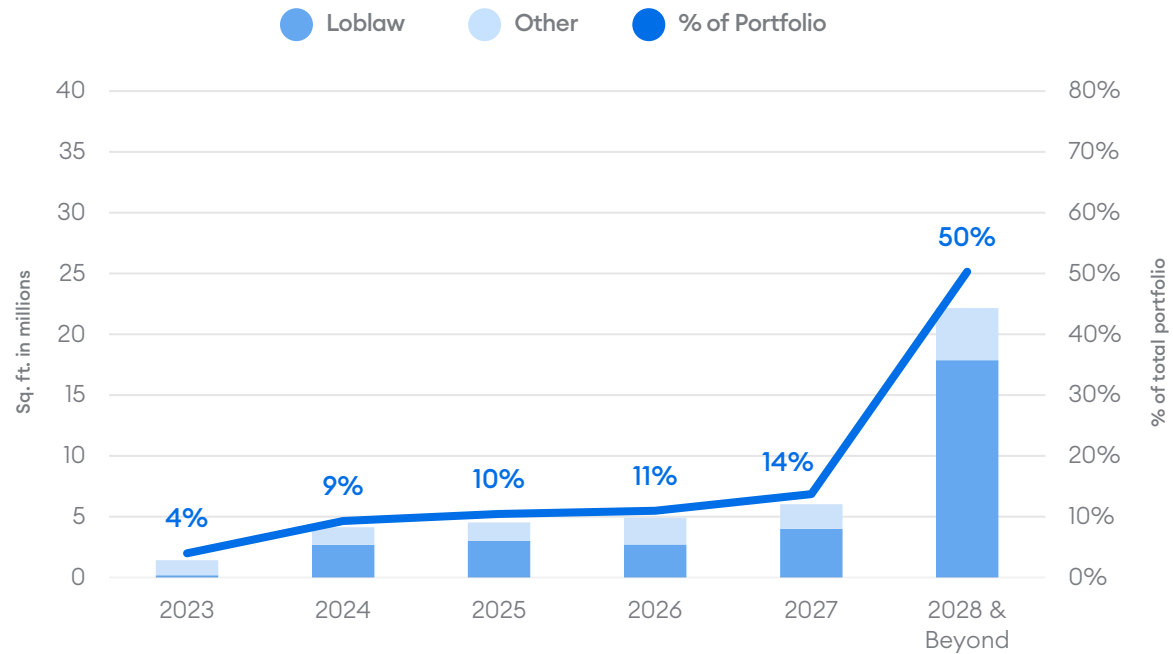
# Strong Tenant Retention

Reliable and stable cash flow

**97.8%**  
occupancy

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

### Lease Expiry by Year



# Active Asset Management

Supporting our market leading portfolio by improving asset quality over time

## Asset Strategy Development

### EXAMPLES OF STRATEGY IN ACTION



#### Capital Recycling

An effective tool to improve the asset quality over time, lower vacancies, and deliver more resilient properties



#### Intensification Opportunities

Unlocking value on existing sites. Intensification opportunities on approximately 150 existing Retail properties



Strategy in Action

# Tenant Relationships



Video

# High-Demand Industrial



High-quality generic industrial assets in  
key distribution markets

# High-Demand Industrial



High-quality generic industrial assets  
in key distribution markets

**17.4M**

sq. ft. of GLA

**116**

Properties

**\$3.5B**

Fair value

**98.9%**

Occupancy

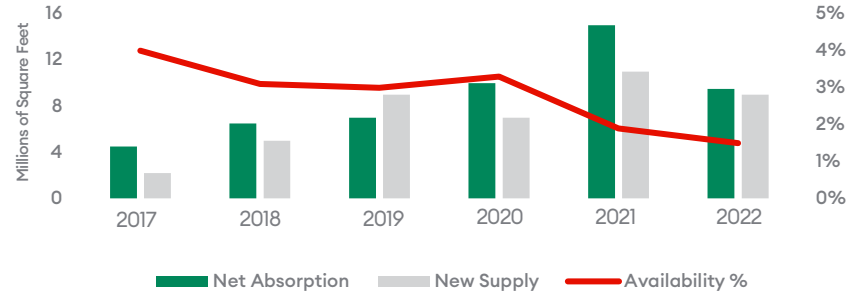


# Fundamentals Drive Growth

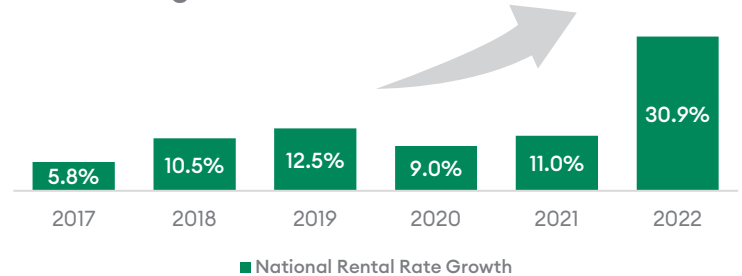
## High demand and low supply in key markets has pushed industrial demand to all time highs

- Resilient supply chains are critical for retailer competitiveness
- Significant land and transportation infrastructure constraints
- Increase in omni channel distribution

### Demand outweighs supply <sup>1</sup>

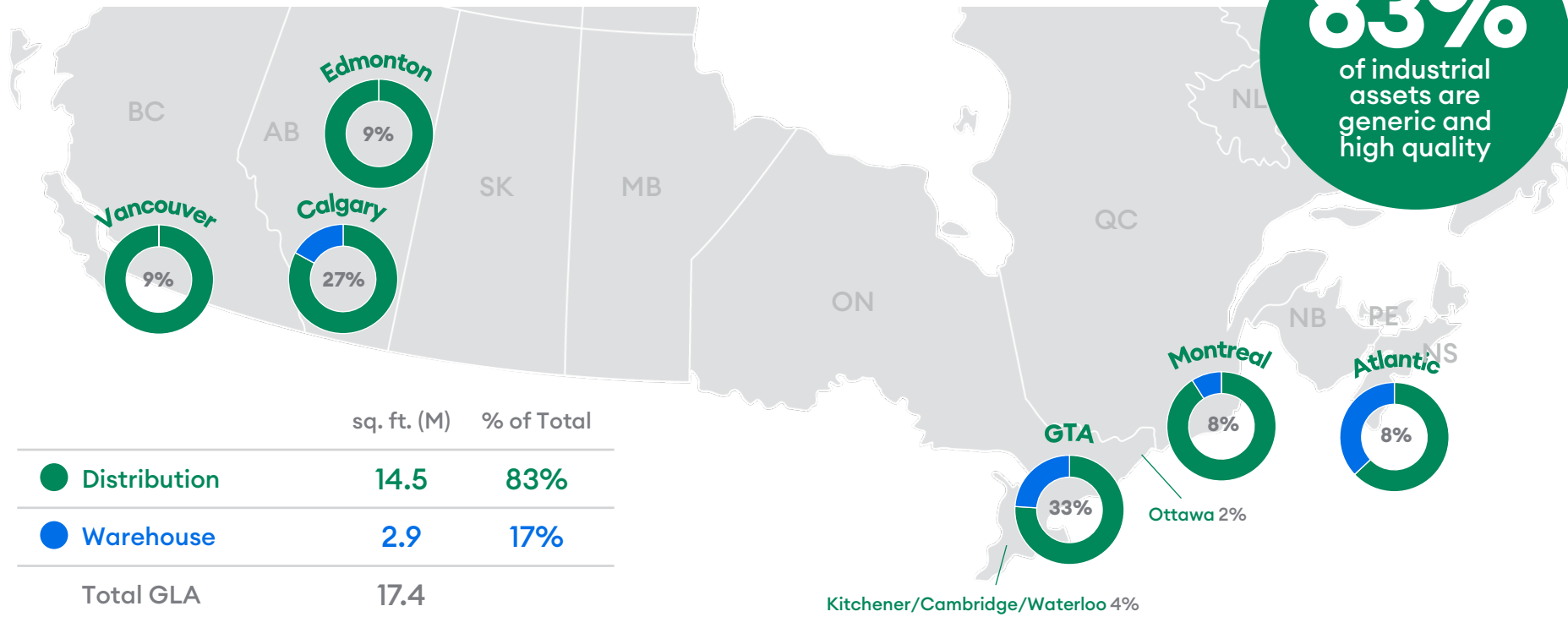


### Record rent growth <sup>1</sup>



1 - Source CBRE Research, Canada Industrial Report Q4 2022

# Winning Industrial Footprint



sq. ft. (M)    % of Total

<span style="color: green;">●</span> Distribution	14.5	83%
<span style="color: blue;">●</span> Warehouse	2.9	17%
<b>Total GLA</b>	<b>17.4</b>	

Calculated as a % of total GLA for the year ended December 31, 2022  
Warehouse includes certain Small Bay assets

# Critical Mass in Target Distribution Markets



90%

NOI in target markets



84%

NOI in VECTOM



50%

NOI in MTV

Calculated as a % of total NOI on a cash basis for the three months ended December 31, 2022

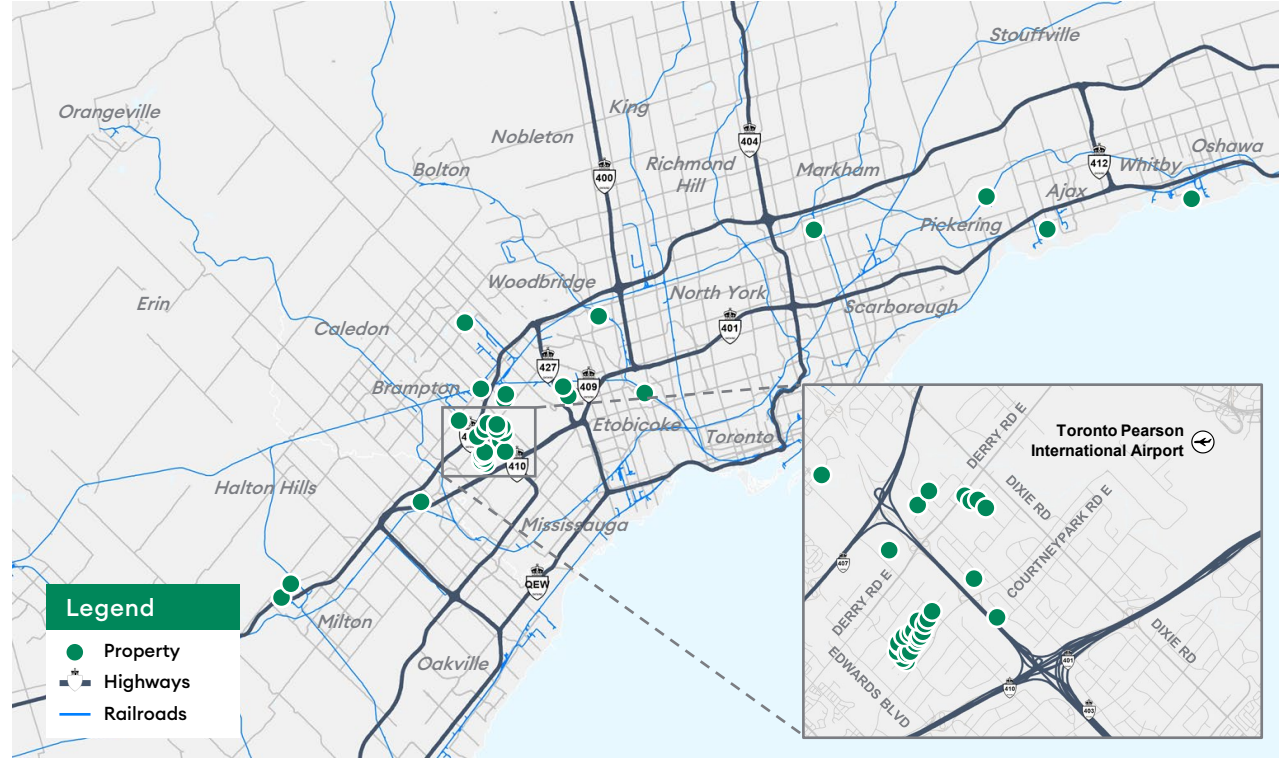
# High-Growth Market Industrial Footprint

**30%**  
NOI in GTA

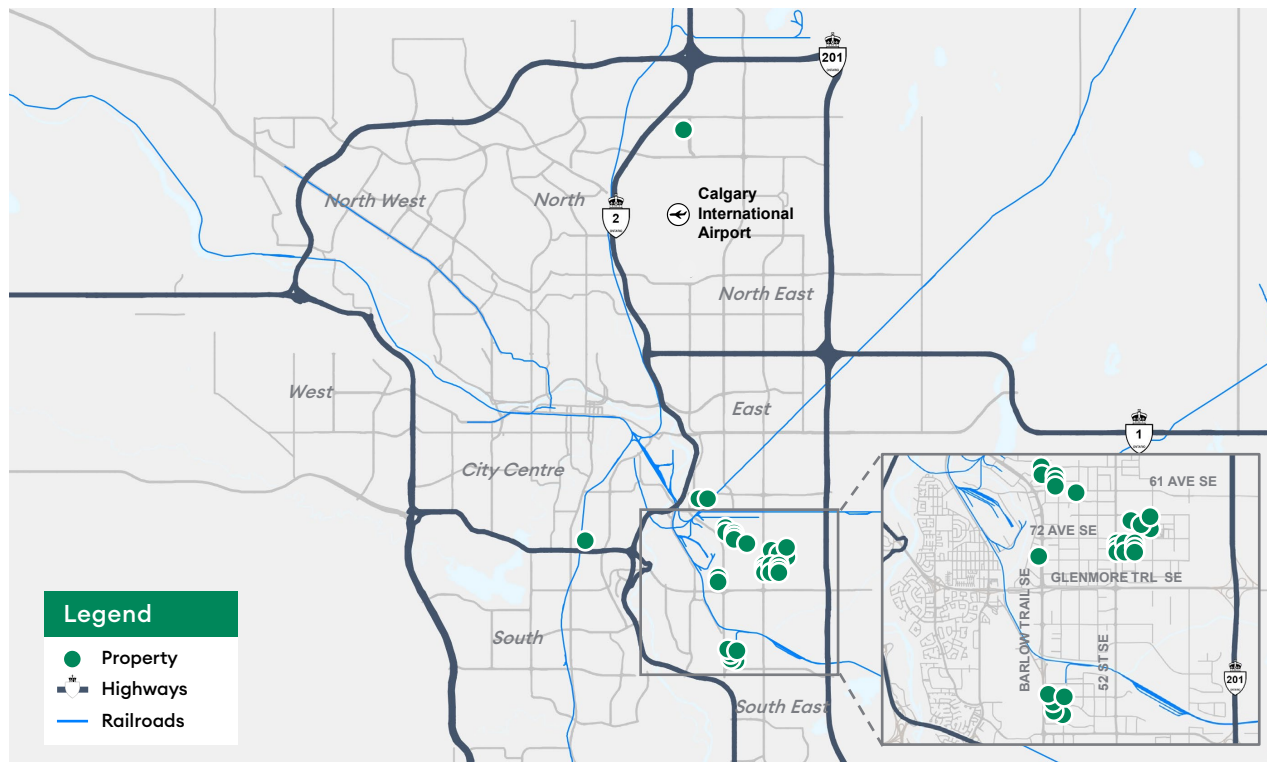
GTA is Canada's fastest growing industrial market

**42 properties**

**5.7M sq. ft.**



# Key Part of Western Canada Supply Chain



**25%**  
NOI in  
Calgary

Main distribution hub for the prairies and central Canada

**36 properties**

**4.7M sq. ft.**



# 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               |

Loblaw  
Companies  
Limited



amazon



Wonderbrands™

ULINE



Kimberly-Clark

# Significant Embedded Growth

**\$8.43**

Choice avg. in-place rent

**\$13.71**

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

## Major Market Breakdown

	Market Avg. Rent <sup>1</sup>	Choice Avg. Rent <sup>2</sup>
Vancouver	\$20.83	\$11.69
Calgary	\$10.58	\$7.84
Greater Toronto Area	\$17.17	\$8.11
Greater Montreal Area	\$15.39	\$9.29

<sup>1</sup> - Source CBRE Research, Industrial Canada Q4 2022

<sup>2</sup> - Average in place rent as of December 31, 2022

# Mixed-Use & Residential



Long-term growth in key markets

# Fundamentals Remain Strong

## A defensive asset class with attractive long-term growth prospects

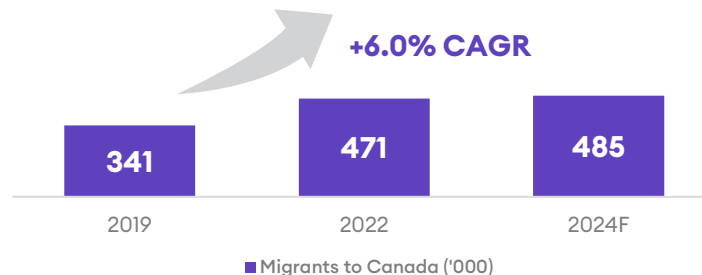
- Immigration is the main driver of population growth and 80% of labour force growth
- Development focused in urban markets
- Undersupply of purpose-built rental continues to drive rent growth

1 - Source Urbanation Market Report, Urban Rental Q4 2022

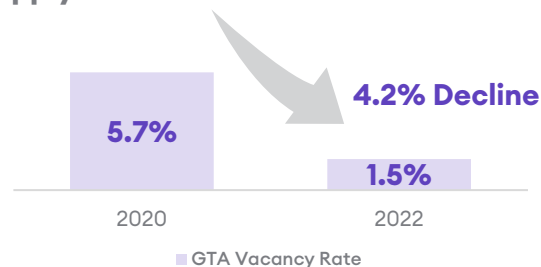
2 - Source Canada.ca

**ChoiceProperties**

### Immigration Growth <sup>1</sup>



### Under Supply <sup>2</sup>



# Mixed-Use & Residential



Purpose build rental  
in key markets

**2.3M**

sq. ft. of GLA

**12**

Properties

**\$0.9B**

Fair value

**87.7%**

Occupancy



Expanding Footprint

# Purpose-Built Rental



Video

# Building for the Future.

Maintaining portfolio stability.  
Delivering operational excellence.

# Measuring Success

1

Maintaining  
market-  
leading  
portfolio



**Maintaining market leading portfolio**  
through active asset management  
and operational excellence



**Leverage our national footprint  
and regional knowledge**  
to support our tenants



**Managing tenant relationships**  
and capitalizing on market trends  
to drive rental rate growth



**Embedding ESG**  
a commitment to lead

2

Sustaining  
operational  
excellence

**97 - 98%**

Occupancy target

**Balanced**

Capital recycling

**2 - 3%**

Annual same-asset  
NOI Growth <sup>1</sup>

1 - Represents a Non-GAAP measure



# Relationship with Loblaw



**Simone Cole**

VP, General Counsel  
& Secretary



# Guided by our Strategic Alliance Agreement

Key Commercial Aspects of this Mutual Relationship:

At IPO, **Choice Properties** and **Loblaw** entered into a 20-year Strategic Alliance Agreement to create a dedicated pipeline of opportunities for both entities

Shopping centre acquisitions

Choice participation in future developments

Reciprocal rights of first offer on dispositions

Right of first offer to lease

Site intensification

# Collaborative Relationship with Canada's Largest Retailer



**David Muallim**  
VP, Real Estate  
Loblaw



**Ana Radic**  
Chief Operating Officer



**Bruce Mooney**  
VP, Market  
Analytics Loblaw



**Anton Gravets**  
Senior Director,  
Investments



**Simone Cole**  
VP, General Counsel

# Collaborative Relationship with Canada's Largest Retailer



# Transformational Development



**Niall Collins**

Executive Vice President,  
Development and Construction



**Mario Fatica**

Senior Vice President,  
Commercial Development



**Joe Svec**

Vice President,  
Planning



# 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

71

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 Expertise

Experienced team with strong partnerships



**Zoning and  
Entitlement**

100% in-house



**Design**



**Construction**



**Asset  
Management**

Core capabilities to provide necessary oversight

while working with joint venture partners, experienced development consultants and construction trades



# A Track Record of Execution



**\$456M** total cost



**\$105M** total cost



**\$339M** total cost



# Building for the Future.

**Maintain portfolio stability. Maximize industrial. Grow mixed-use.**

# Development Pipeline

## 18.1M sq. ft.

### Active

### Zoned and Ready

### In Planning

### Total <sup>1</sup>

sq. ft.	<b>1.9M</b>	sq. ft.	<b>9.4M</b>	sq. ft.	<b>6.8M</b>	sq. ft.	<b>18.1M</b>
Retail	<b>0.3M</b>	Retail	<b>0.2M</b>	Retail	<b>n/a</b>	Retail	<b>0.5M</b>
Industrial	<b>1.4M</b>	Industrial	<b>5.6M</b>	Industrial	<b>n/a</b>	Industrial	<b>7.0M</b>
Mixed-Use & Residential	<b>0.2M</b>	Mixed-Use & Residential	<b>3.6M</b>	Mixed-Use & Residential	<b>6.8M</b>	Mixed-Use & Residential	<b>10.6M</b>

<sup>1</sup> - At Choice's Share

# Retail Intensifications



**Maintain portfolio stability: developing at-grade retail density at existing retail properties**

# Retail Intensifications



with intensification potential

13

active projects<sup>1</sup>

13

projects in planning<sup>1</sup>

~8.0%

average yield <sup>2</sup>



Unlocking value on existing sites



Diversifying tenant mix



Drive incremental traffic to our sites



Supporting our tenant's business growth

1 - Includes both intensification and greenfield sites

2 - Calculated based on average recent historical yield

# Near-Term Industrial



**Maximize industrial: industrial pipeline positioned to deliver significant growth**

# Industrial Development Pipeline

Immense near-to-medium term opportunity

**7.0M**  
sq. ft. zoned

**5** projects

**1.4M** sq. ft.

**2023** completions

**5.6M** sq. ft.

**2025+** completions



# 2023 Industrial Completions

Active developments

## 1.4M

sq. ft. GLA to be delivered<sup>1,2</sup>

## \$187M

total investment

## 7.00%

average expected yield<sup>1</sup>



**Horizon Business Park**  
Edmonton, AB



**Choice Industrial Centre**  
Surrey, BC



**Choice Eastway  
Industrial Centre (Phase 1)<sup>2</sup>**  
Greater Toronto Area, ON

<sup>1</sup> - Expected stabilized yield is calculated by dividing the expected stabilized net rental income by the estimated total project costs

<sup>2</sup> - Includes 0.9M sq. ft. land lease with Loblaw at share



Development Pipeline

# Industrial Opportunity



Video

# Shovel Ready Industrial Developments

Near-to-medium term potential

## 2

projects

## Multiple

phases

## 434

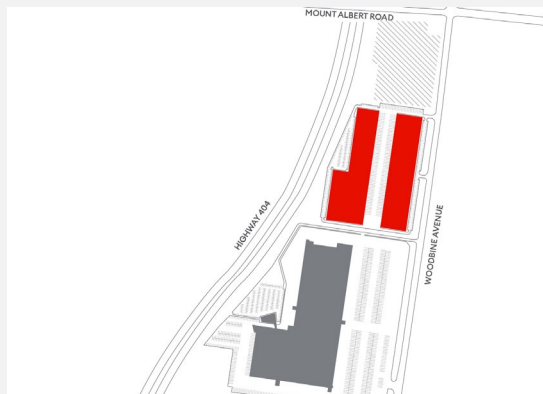
total developable acres

## 5.6M

sq. ft. potential GLA @ share

### Choice Eastway Industrial Centre

Phase 2



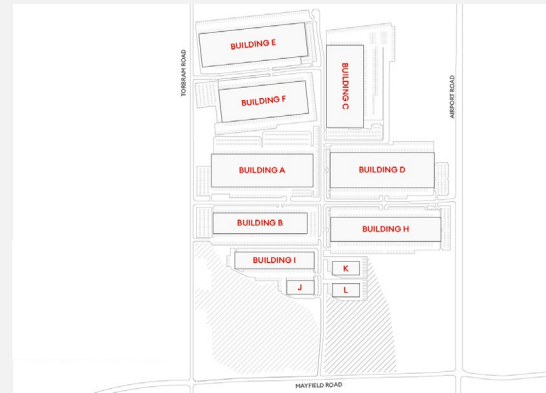
**0.5M** sq. ft. @ share

**54** total developable acres

Phase 1 – Under Active Development

### Choice Caledon Business Park

All phases



**5.1M** sq. ft. @ share

**380** total developable acres

# Illustrative Case Study

## Choice Caledon Business Park

# 380

developable acres

# 5.1M

sq. ft. potential GLA @ share <sup>1</sup>

# ~\$1.1M

estimated serviced land cost per acre <sup>2</sup>

# 6.0-7.0%

average illustrative yield <sup>3</sup>

1 - Choice ownership 85%

2 - Expected stabilized yield is calculated by dividing the expected stabilized net rental income by the estimated total project costs

3 - Average yield based on market rent of \$17.17 per square foot

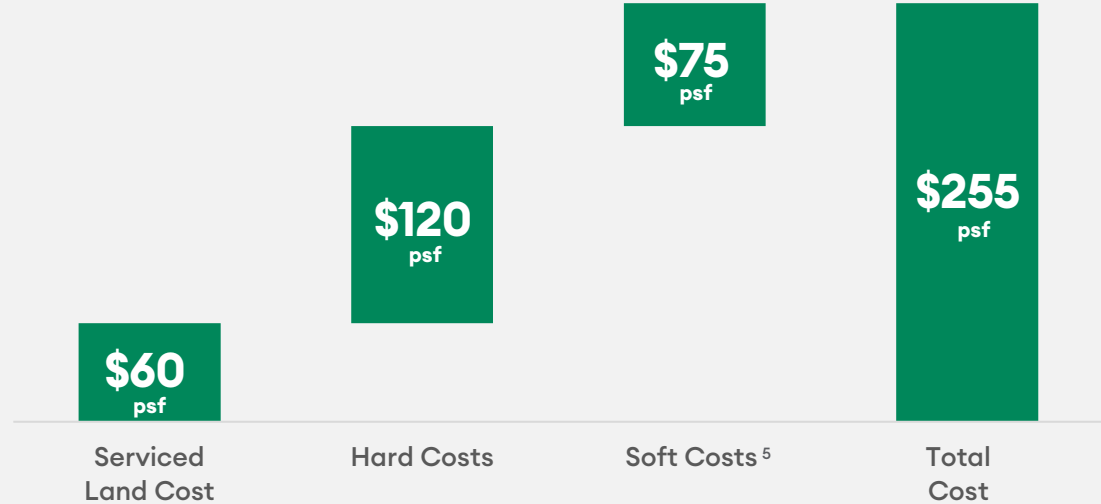
4 - Case study is for illustrative purposes only

5 - Soft costs include interest and equity carry in addition to other soft costs

### Illustrative Project Cost per Square Foot – 850K SF Industrial Building <sup>4</sup>

#### Assumptions

Land cost \$768K/acre  
\$17.17 market rent psf



# Unparalleled Mixed-Use Development Pipeline



Driving long-term growth

# 2023 Residential Completions

## Active developments

# 696

units (50% ownership)

# \$156M

total investment

# ~4.5%

average expected yield <sup>1</sup>

1 - Expected stabilized yield is calculated by dividing the expected stabilized net rental income by the estimated total project costs

**ChoiceProperties**

## Element

Ottawa, ON



**252** total units

**Pre-Construction**  
**Rick Hansen Certification**

## Mount Pleasant Village

Brampton, ON



**444** total units

**Geothermal systems**

**Pre-Construction**  
**Rick Hansen Certification**

# Residential and Mixed-Use

Significant future growth

12

projects in  
planning

10.4M

sq. ft. over

12,014

units<sup>1</sup>

1 – At share

**ChoiceProperties**

## Grenville & Grosvenor

Toronto, ON



770 total units

0.5 acres

0.337M sq. ft.

1 phase

## Golden Mile

Toronto, ON



3,600 total units

19 acres

3.2M sq. ft.

Multiple phases

Animation of Developments

# Mixed-Use Developments



# Over 80 Potential Sites



Long-term development pipeline



# Transformational Development

Significant opportunity:  
one of Canada's largest urban landowners

# Measuring Success

3

Delivering  
development  
pipeline



**Executing on our near-term industrial opportunity**

driving NAV growth and tenant diversification



**Adapting to market trends**

developing where there is demand across three strategic asset classes



**Creating opportunity and value**

advancing mixed-use and residential sites through the development process



**Embedding ESG**

incorporating ESG from project inception

**\$300-350M**

Assumed average  
annual spend over-time

# Leading in ESG



**Ana Radic**  
Chief Operating Officer



**Mario Fatica**  
SVP,  
Commercial  
Development



**Erin Johnston**  
VP, Finance



**Ariel Feldman**  
Senior Director,  
Sustainability



**Ethics &  
Compliance**



**Fighting  
Climate  
Change**



**Advancing  
Social Equity**

# Long-term Relationship with George Weston Ltd.



**Rael Diamond**  
President & CEO



**Galen Weston**  
Chairman & CEO,  
George Weston Limited

# Creating Enduring Value

Strategic and collaborative relationship with George Weston Ltd.

**ChoiceProperties**

**WESTON**  
GEORGE  
WESTON  
LIMITED

# Financial Review



**Mario**  
**Barrafato**  
Chief Financial Officer



# Achieving Our Goals

Supporting our business growth through prudent financial management

## FINANCIAL GOALS

Preservation  
of capital

Stable and growing  
cash flows

Increases in NAV and  
distribution over time



### **Disciplined**

approach to financial management



### **Conservative**

providing significant financial  
strength and flexibility



### **Proactive**

ensuring we can continue to support  
our business growth



# Maintaining our Industry Leading Balance Sheet

- ✓ **Liquidity**  
mitigates refinancing risk
- ✓ **Low leverage**  
ensures we can support our developments
- ✓ **Balanced debt ladder**  
ensures we manage interest rate risk
- ✓ **Investment grade credit rating**  
provides access to multiple sources of funding
- ✓ **Large pool of unencumbered assets**  
provides flexibility

# Significant Financial Capacity

**BBB (High)**

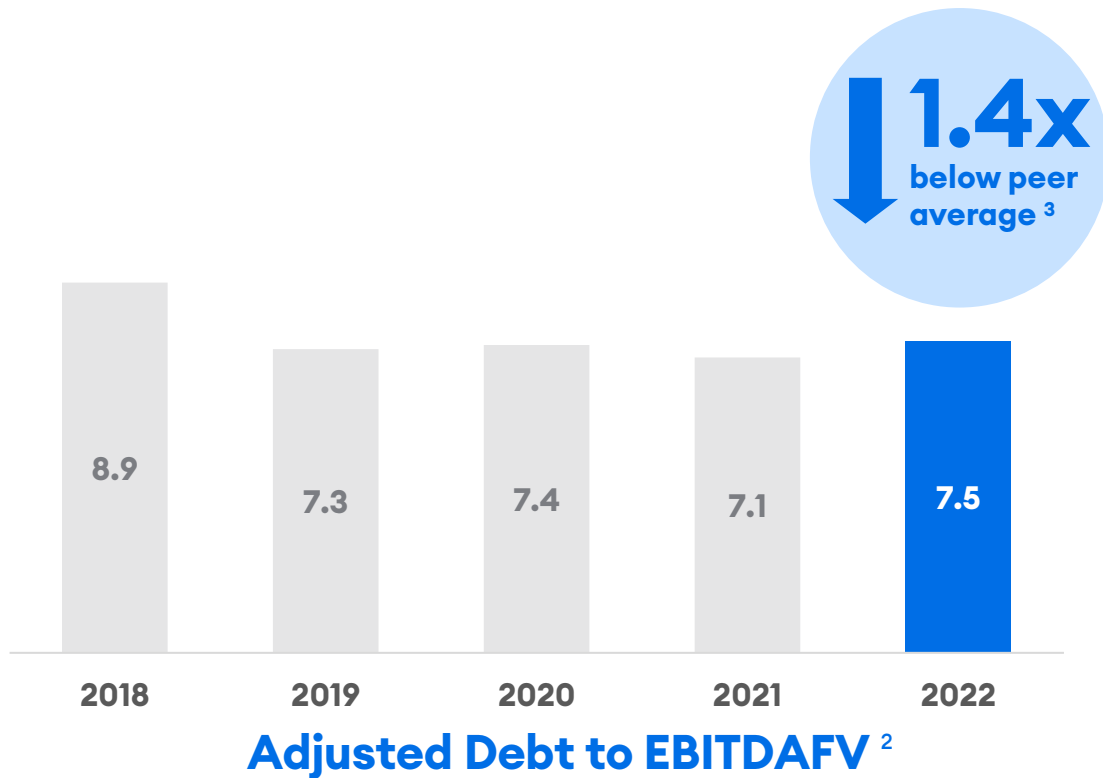
DBRS credit rating

**\$12.3B**

unencumbered assets<sup>1</sup>

**\$1.2B**

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








1 - As at December 31, 2022

2 - Represents a non-GAAP measure

3 - Source: Q3 2022, RBC Research Report

# Capital Structure Targets

Maintain financial stability

	2018	2022	Target Range
Unused portion of revolving credit facility	1.2B	1.2B 	> 1.0B
Adjusted debt to EBITDAFV <sup>1</sup>	8.9x	7.5x 	~7.5x
Weight average term to maturity	5.5 years	5.1 years 	~5.0 years
Credit rating <sup>2</sup>	BBB	BBB (High) 	BBB (High)
Leverage ratio	47.2%	40.1% 	< 50%

1 - Represents a non-GAAP measure

2- DBRS rating



# Stability:

Generates confidence, supports opportunity

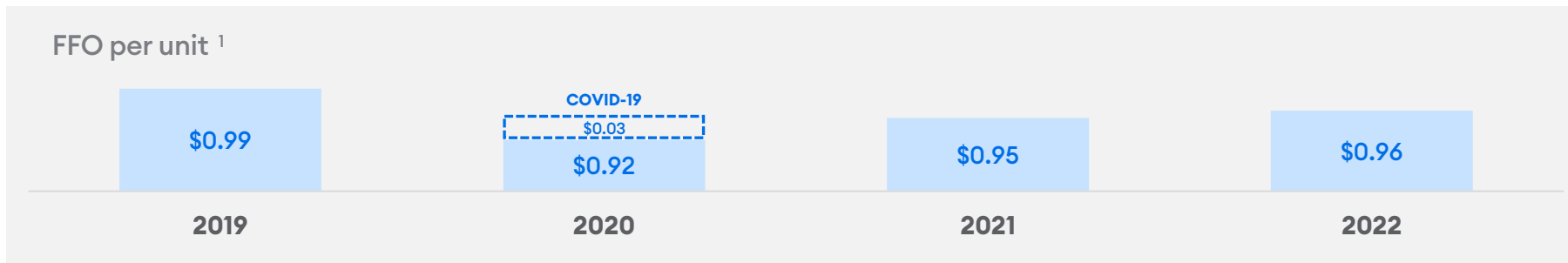
# Maintaining Stability

Stability while improving portfolio quality through capital recycling

Investing in Growth

Improving Portfolio Quality

Rightsizing Balance Sheet



<sup>1</sup> - Represents a non-GAAP measure

# Positioned to Deliver Growth

Building for the Future.

# 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**

<sup>1</sup> - Based on unit price as of February 17, 2023 of \$14.80 and a distribution of \$0.75

# Driving Same-Asset NOI Growth

Delivering stable and growing cash flows

1

Maintaining  
market-  
leading  
portfolio

2

Sustaining  
operational  
excellence



## Retail

Stable and growing cash flows underpinned by National necessity-based tenants



## Industrial

Outsized organic growth as leases roll to market rents



## Mixed-Use & Residential

Growing segment providing inflation protected earnings

**2 - 3%**

Annual same-asset  
NOI growth<sup>1</sup>

**Balanced**

Capital recycling

**97 - 98%**

Occupancy target

1 - Represents a non-GAAP measure



# Contributions from Developments

Leverage neutral capacity

3

Delivering  
development  
pipeline



## Retail

Consistent delivery of  
retail intensifications



## Industrial

7.0M sq. ft. industrial  
development pipeline



## Mixed-Use & Residential

2 project completions expected in  
2023 with on-going NAV growth  
from long-term pipeline

**\$300-350M**

Assumed average  
annual spend over-time

**\$250-300M<sup>1</sup>**

Funded through retained  
cash and NOI growth

<sup>1</sup> - Supported by balance sheet strength and flexibility combined with development partnerships.

# 2022 Performance and 2023 Outlook



	2022 Actual	2023 Outlook
SA-NOI growth <sup>1</sup>	3.8%	2-3%
FFO / unit <sup>1</sup>	\$0.96	\$0.98-0.99
Distribution / unit	\$0.74	\$0.75

<sup>1</sup> - Represents a non-GAAP measure

**ChoiceProperties**

Investor Day 2023

# Delivering Strong Unitholder Value

## Consistent and Stable Financial Framework

### AFFO / NAV Growth from Developments<sup>1</sup>

Incremental annual growth from a conservative development pipeline that doesn't impact leverage metrics

1%

### AFFO / NAV Growth from Existing Portfolio<sup>2</sup>

Stable and growing cash flows from existing portfolio and balanced capital recycling activities

2-3%

### Distribution Yield<sup>3</sup>

Consistent distribution with opportunity for growth

5%

## Historical Average Return

~10%  
average  
since IPO<sup>4</sup>

1 - Assuming \$300M to \$350M average annual development spend and yield consistent with historical returns

2 - Based on 2-3% Same-Asset NOI growth on existing portfolio, balanced capital recycling activity and a stable AFFO reserve

3 - Based on unit price as of February 17, 2023 of \$14.80 and a distribution of \$0.75

4 - Calculated at December 31, 2022, with distributions reinvested at spot price

# Concluding Remarks



**Rael  
Diamond**  
President & CEO



# Delivering Today. Building for the Future.



Existing Portfolio



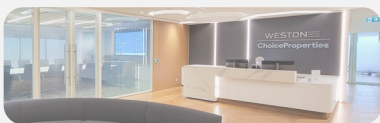
Relationship with Loblaw



Transformational  
Development



Leading in ESG



Relationship with  
George Weston



Financial Review

- ✓ **Canada's preeminent REIT**
- ✓ **Focused and proven strategic framework**
- ✓ **Clear plan to maintain stability and deliver growth**
- ✓ **The right team to execute**

# Delivering Today. Building for the Future.



**ChoiceProperties**

# Q & A



# Thank You.







# ChoiceProperties

## **Choice Properties Real Estate Investment Trust**

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