# 2024 First Quarter Report


ChoiceProperties

Places People Thrive™

# Purpose-Driven Strategy

**Choice Properties is a leading Real Estate Investment Trust that creates enduring value and *places* where *people thrive*. We bring this to life by improving how our tenants and communities come together to live, work, and connect. This includes our industry leadership in advancing social, economic, and environmental sustainability. In everything we do, we are guided by our shared values of care, ownership, respect and excellence.**

**To learn about the many other ways we are bringing our Purpose to life for tenants, employees, communities, and investors, please visit:**

**Our latest Sustainability Report**
choicereit.ca/sustainability

**Our Leading Portfolio**
choicereit.ca/portfolio

**Our most recent Investor Presentation**
choicereit.ca/presentations

**Our Career website**
choicereit.ca/careers

**We are in the business of owning, operating and developing real estate. Our financial goals are centered on capital preservation, generating stable and growing cash flows, and delivering appreciation in net asset value (NAV) and distributions over time. We have a proven strategy and an unmatched foundation that supports these goals and is focused on:**

**Maintaining our Market Leading Portfolio**
A high-quality national footprint and regional focus, underpinned by a strategic partnership with Loblaw[i], Canada's largest retailer.

**Sustaining Operational Excellence**
A track record of operational excellence and ESG leadership delivered by an experienced, engaged, and diverse team.

**Delivering on our Development Pipeline**
Projects that diversify our tenant base while delivering steady growth for the near and long term – backed by our industry leading balance sheet.

(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
i Loblaw Companies Limited ("Loblaw")

# Canada's Premier REIT
## Leading where it matters most

### Largest in Canada[i]

**700+** High-quality properties

**3** Strategic asset classes

### Unmatched Necessity-Based Portfolio

**82%** Necessity-based retail portfolio[ii]

**38M sq. ft.** Grocery-anchored retail portfolio

### Strategic Relationship with Canada's Largest Retailer

**56%** Loblaw tenancy[iii]

Relationship with Loblaw provides a unique competitive advantage

### One of Canada's Largest Urban Landowners

**16M+ sq. ft.** Development pipeline

**70+** Sites with future development potential

### Industry Leading Balance Sheet

**BBB (High)** DBRS Rating

**6.9x** Adjusted Debt to EBITDAFV[(1)]

### ESG Leadership

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

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

[i] Based on total portfolio GLA, number of properties and market capitalization
[ii] Calculated as a % of the retail segment's gross rental revenue on a proportionate share basis[(1)] as at March 31, 2024 (Section 6)
[iii] Percentage based on gross rental revenue on a proportionate share basis[(1)] as at March 31, 2024


## Loblaws

650 Dupont Street
Toronto, Ontario

**Asset class type: Retail**
**Property GLA: 52,025 sq.ft.**

As part of our pathway to net-zero emissions, we have 49 active solar photovoltaic installations across our portfolio.

To learn more visit choicereit.ca/Choice_Pathway_to_Net_Zero

# Key Performance Indicators
## Financial and Operating Performance

### Financial Performance

| | Q1 2024 | Q1 2023 | Change |
|---|---|---|---|
| FFO[(1)] | $0.259 /unit | $0.244 /unit | +6.1% |
| AFFO[(1)] | $0.239 /unit | $0.227 /unit | +5.3% |
| Occupancy | 97.9% | 97.7% | +0.2% |
| Same-Asset NOI, Cash Basis | $238.5M | $232.9M | +2.4% |

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

### Debt Metrics Q1 2024

| | |
|---|---|
| Adjusted Debt[(1)] | $7.0B |
| Adjusted Debt to EBITDAFV[(1)] | 6.9x |
| Weighted Avg. Term to Maturity[i] | 5.7 years |
| Weighted Avg. Interest Rate[i] | 4.02% |
| Unencumbered Assets | $12.9B |
| Adjusted Debt to Total Assets[(1)] | 40.3% |

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

“The first quarter was a strong start to the year for Choice Properties as we continued to see robust tenant demand for our necessity-based properties and significant rental rate lifts on lease renewals in our industrial portfolio. We further strengthened our market-leading portfolio by executing over $60 million of real estate transactions and completing development projects worth approximately $75 million during the quarter.”

**Rael Diamond**, CEO, Choice Properties

# First Quarter
# Financial Highlights[i]

During the three months ended March 31, 2024

## Operating

- **Reported net income for the quarter of $142.3 million,** compared to net income of $270.8 million in the prior year. The decrease was primarily due to changes in non-cash fair value adjustments[ii].
- **Reported FFO per unit diluted[(1)] for the quarter was $0.259,** compared to $0.244 in the same prior year period.
- **AFFO per unit diluted[(1)] for the quarter was $0.239,** compared to $0.227 in the same prior year period.
- **Same-Asset NOI on a cash basis[(1)] increased by 2.4%** over the same prior year period.
- **Retail and industrial same-asset NOI on a cash basis[(1)] increased by 2.5% and 2.8%, respectively.** Mixed-use & residential same-asset NOI on a cash basis[(1)] decreased by 1.3%.
- **Period end occupancy remained strong at 97.9%,** compared to 98.0% at year end, with retail at 97.7%, industrial at 98.8% and mixed-use & residential at 94.7%[iii].
- **Included in the first quarter results is lease surrender revenue of $2.5 million and residential inventory income of $2.0 million.**
  - Lease surrender revenue was related to right-sizing a Loblaw grocery store in Markham, ON. Choice leased the space vacated by Loblaw to a new tenant at a higher rental rate.
  - Residential inventory income was related to the sale of the Trust's ownership interest of 36 condominium units of its Mount Pleasant Village residential project in Brampton, ON.
- **Net fair value loss on investment properties in the quarter was $3.6 million** on a proportionate share basis[(1)], reflecting property-specific updates to leasing assumptions and changes in contractual rents, and adjustments to capitalization rates primarily in the industrial portfolio.

## Financing

- **Repaid the $200.0 million Series D senior unsecured debentures upon maturity,** bearing interest at 4.293%, with funds from the repayment of the promissory note from Allied.
- **Refinanced one mortgage with a balance of $20.7 million and discharged three mortgages upon maturity,** with an aggregated balance of $50.4 million.
- **Ended the quarter with Adjusted Debt to EBITDAFV[(1)] of 6.9x,** Adjusted Debt to Total Assets[(1)] at 40.3%, and Interest Coverage ratio[(1)] of 3.5x.
- **Strong liquidity position with $1.5 billion** of available credit and a $12.9 billion pool of unencumbered properties.

## Investing

- **The Trust completed $61.7 million of transactions in the quarter:**
  - The acquisition of a retail property in Toronto, ON from Loblaw for a purchase price of $38.4 million; and
  - The disposition of an industrial property in the GTA and a retail property for aggregate proceeds of $23.3 million.
- **The Trust invested $32.1 million in its development program** during the quarter on a proportionate share basis[(1)].
- **The Trust transferred $74.6 million of properties under development to income producing status,** delivering a purpose-built residential rental building at Mount Pleasant Village in Brampton, ON with 151 units at the Trust's share, and approximately 26,000 square feet of new commercial GLA on a proportionate share basis[(1)] through a retail intensification.

[i] Refer to the Notes for Readers located on page 9 of this MD&A for definitions of capitalized terms
[ii] Net income is impacted by fluctuations in adjustments to fair value of the Trust's Exchangeable Units, investment properties, investment in real estate securities, and unit-based compensation and therefore is often not comparable between periods
[iii] Occupancy represents retail and office portion of mixed-use properties; residential units are excluded

# 3 Strategic Asset Classes
## A high-quality national footprint where Canadians live and work

**Our unparalleled portfolio represents a combination of necessity-based, well-located retail properties supported by strong anchor tenants; high-quality and high demand industrial assets in key distribution markets; and transit oriented mixed-use and residential rental assets concentrated in the most attractive Canadian markets.**

**705** Income Producing Properties **66.1M** Square Feet **$16.7B** Fair Value[i]

### Retail

Predominately necessity-based grocery anchored retail portfolio

**573** Properties

**44.8M** Square Feet

**$11.1B** Fair Value[i]

### Industrial

Flexible well-located industrial portfolio

**121** Properties

**19.5M** Square Feet

**$3.9B** Fair Value[i]

### Mixed-Use & Residential

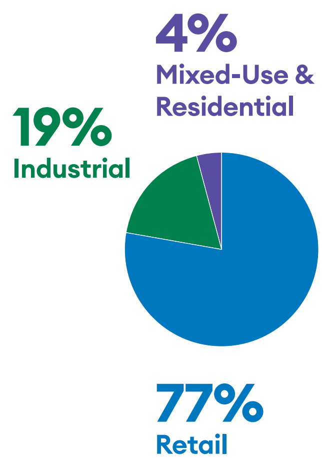
Transit oriented mixed-use and residential portfolio

**11** Properties

**1.8M** Square Feet[iii]

**$0.9B** Fair Value[i]

### Portfolio Mix by Asset Class[ii]



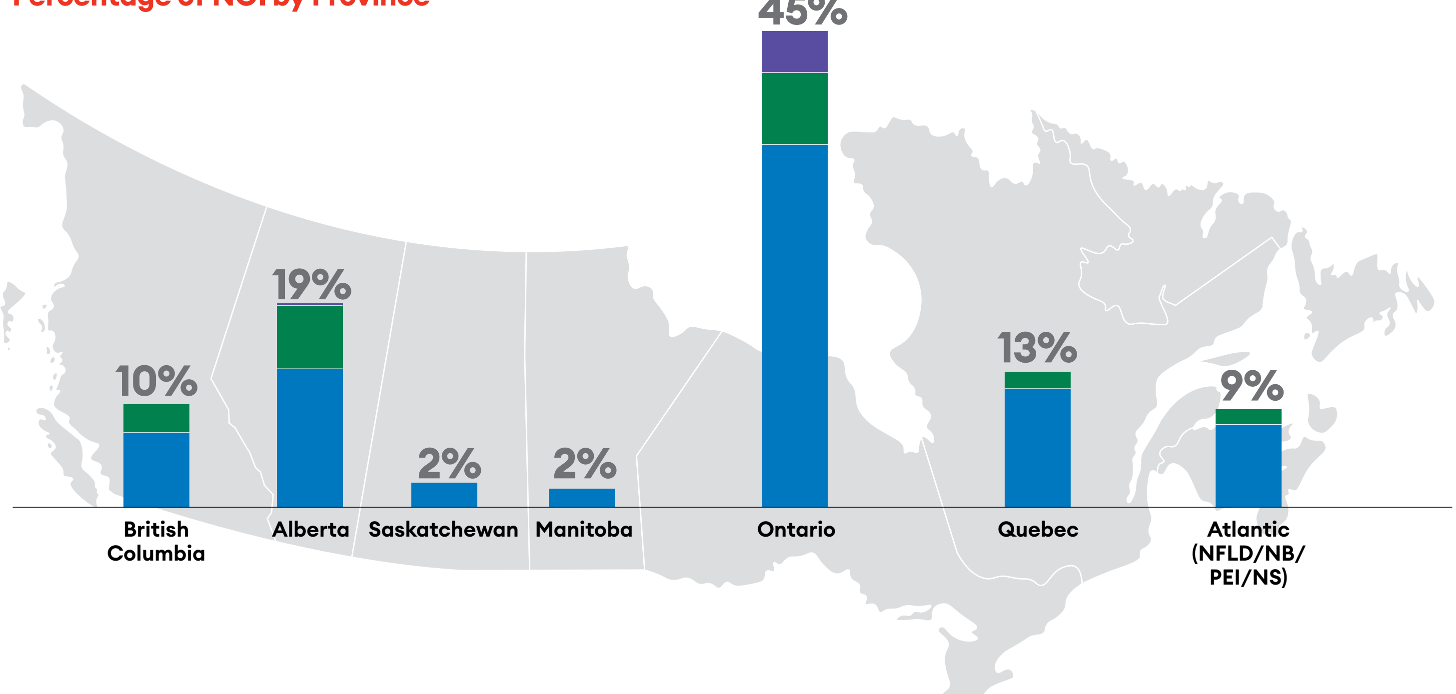

### Properties Under Development

**43** Projects

**16.7M** Square Feet

**$0.8B** Fair Value[i]

### Percentage of NOI by Province[ii]




[i] Fair value of investment properties is shown on a proportionate share basis(1)
[ii] Calculated as a % of total NOI on a proportionate share(1) cash basis for the three months ended March 31, 2024
[iii] 1.8 million sq. ft. of GLA includes 0.7 million sq. ft. associated with Choice Properties' 923 residential units

# Our Tenants

## High quality tenants provide cash flow stability

### Long-Term Leases

**Weighted Average Lease Term**

| Loblaw | Ancillary | Total |
|---|---|---|
| 6.3 years | 5.3 years | 5.9 years |

### Choice's Top 5 Tenants

% Revenue[i]

| | | |
|---|---|---|
| 1 | Loblaw | 56.3% |
| 2 | Canadian Tire | 1.9% |
| 3 | TJX Companies | 1.2% |
| 4 | Dollarama Inc. | 1.1% |
| 5 | Pet Valu | 1.0% |

## Strong Necessity-Based Retail Anchor Tenants


**+64%**
**of retail revenue from Loblaw banners[ii]**

**Key Tenants:**
Loblaws
Shoppers Drug Mart
Real Canadian Superstore
No Frills
Maxi
Fortinos
T&T


**+68%**
**of retail revenue from grocery and pharmacy[ii]**

**Key Tenants:**
Sobeys
Metro
Save on Foods
Nations Fresh Foods
Costco
Walmart
Rexall


**+82%**
**of retail revenue from necessity-based retail[ii]**

**Key Tenants:**
Dollarama
Canadian Tire
LCBO
TD
Restaurant Brands International
Pet Valu
Scotiabank
CIBC

## Resilient Industrial Tenant Base

### Top 10 Industrial Tenants[ii]

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

**29%**
**Loblaw gross industrial revenue**

[i] Calculated on total gross rental revenue on a proportionate share basis(1) as at March 31, 2024
[ii] Calculated on segment's gross rental revenue on a proportionate share basis(1) as at March 31, 2024 (Section 6)

# Development Pipeline Positioned for Growth
## Driving near, medium and long-term value

| Sq. ft.[i] | In Planning | Zoned & Ready | Active | Total |
|---|---|---|---|---|
| **Total** | 6.9M | 7.9M | 1.9M | 16.7M |
| **Retail** | — | 0.1M | 0.1M | 0.2M |
| **Industrial** | — | 4.2M | 1.8M | 6.0M |
| **Mixed-Use & Residential** | 6.9M | 3.6M | — | 10.5M |

[i] At the Trust's Share


## Mount Pleasant Village

10 - 40 Lagerfeld Drive
Brampton, ON

**Development type: Mixed-Use & Residential**
**Rental units: 302**
**Ownership: 50%**
**Completion: Q1 2024**

Mount Pleasant Village is a master-planned project dedicated to connectivity. It is an exciting urban village with 142 condominiums and 302 purpose-built rental units, the first in the area in over a decade. Located at Bovaird Drive and Lagerfeld Drive, adjacent to the GO train station of the same name, this development is designed with social and environmental consciousness that reflects our purpose and values.


## Choice Caledon Business Park (Buildings A & H)

5762 Mayfield Rd
Caledon, ON

**Development type: Industrial**
**Property GLA: 2,059,000 sq. ft.**
**Ownership: 85%**
**Expected completion: H2 2024 & H2 2025**

Choice Caledon Business Park brings approximately 6,000,000 sq. ft. of multi-use industrial space to the region, along with access to major highways and multimodal transport, and a forward-thinking design focused on sustainability and flexibility. The first phase of this project (Buildings A & H) is in active development. This phase will deliver 2,059,000 sq. ft. of new GLA (1,750,000 sq. ft. at the Trust's share).

## Erin Ridge

St. Albert Trail & Everitt Dr. N.
Edmonton, AB

**Development type: Retail**
**Intensification GLA: 11,294 sq.ft.**
**Property GLA: 191,245 sq. ft.**
**Ownership: 50%**
**Completion: Q1 2023**

Our intensifications are focused on adding at-grade retail density at our existing retail properties. These projects provide the opportunity to add new tenants and further expand our high-quality tenant mix. Our pipeline of intensification projects provides steady growth to our business.

# Management's Discussion and Analysis
## Table of Contents

### Financial Review

## 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, 2024 and accompanying notes ("Q1 2024 Financial Statements") when reading this Management's Discussion and Analysis ("MD&A"). In addition, this MD&A should be read in conjunction with the Trust's "Forward-Looking Statements" as listed below. Choice Properties' Q1 2024 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 IFRS 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 first quarter Report, including this MD&A, contains forward-looking statements about Choice Properties' objectives, 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 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, 2023. Selected highlights of such risks and uncertainties include:

- changes in economic conditions, including changes in interest rates and inflation rates, 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 effectively and efficiently manage 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 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, 2023. 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, 2024, GWL held a 61.7% effective interest 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 24, 2024, 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 condensed consolidated financial statements of the Trust as at and for the three months ended March 31, 2024 and 2023. 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<br>($ thousands except where otherwise indicated) | 2024 | 2023 |
|---|---|---|
| Number of income producing properties(i) | 705 | 705 |
| GLA (in millions of square feet)(ii) | 66.1 | 64.9 |
| Occupancy*(ii) | 97.9 % | 97.7 % |
| Total assets (GAAP) | $ 16,874,996 | $ 16,969,907 |
| Total liabilities (GAAP) | $ 12,424,822 | $ 12,943,374 |
| Rental revenue (GAAP) | $ 337,958 | $ 324,657 |
| Net income | $ 142,279 | $ 270,804 |
| Net income per unit diluted | $ 0.197 | $ 0.374 |
| FFO(1) per unit diluted* | $ 0.259 | $ 0.244 |
| FFO(1) payout ratio* | 72.8 % | 76.0 % |
| AFFO(1) per unit diluted* | $ 0.239 | $ 0.227 |
| AFFO(1) payout ratio* | 78.7 % | 81.8 % |
| Distribution declared per unit | $ 0.188 | $ 0.186 |
| Weighted average number of units outstanding – diluted(iii) | 723,666,036 | 723,665,160 |
| Adjusted debt to total assets(iv)* | 40.3 % | 41.0 % |
| Debt service coverage(iv)* | 3.1x | 3.1x |
| Adjusted debt to EBITDAFV(1)* | 6.9x | 7.5x |
| Indebtedness(v) – weighted average term to maturity* | 5.7 years | 6.0 years |
| Indebtedness(v) – weighted average interest rate* | 4.02 % | 3.97% |

* Denotes a key performance indicator

(i) Effective the fourth quarter of 2023, the Trust reassessed its internal definition of a distinct income producing property. The net impact resulted in an increase the number of income producing properties by two in 2023.
(ii) Includes 1,853,000 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, 2023 - 699,000 sq. ft.).
(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) Indebtedness reflects only senior unsecured debentures, fixed rate mortgages and fixed rate construction loans.

## 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:

| | As at March 31, 2024 | | | As at December 31, 2023 | | |
|---|---|---|---|---|---|---|
| ($ thousands) | 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 | $ 14,974,000 | $ 1,732,000 | $ 16,706,000 | $ 14,923,000 | $ 1,722,000 | $ 16,645,000 |
| Equity accounted joint ventures | 881,400 | (881,400) | — | 883,712 | (883,712) | — |
| Financial real estate assets | 195,168 | (195,168) | — | 195,457 | (195,457) | — |
| Residential development inventory | 1,991 | — | 1,991 | 8,681 | — | 8,681 |
| Mortgages, loans and notes receivable | 415,871 | (94,165) | 321,706 | 656,001 | (95,756) | 560,245 |
| Investment in real estate securities | 208,667 | — | 208,667 | 238,308 | — | 238,308 |
| Intangible assets | 13,714 | — | 13,714 | 13,964 | — | 13,964 |
| Accounts receivable and other assets | 174,483 | 13,434 | 187,917 | 137,180 | 10,247 | 147,427 |
| Cash and cash equivalents | 9,702 | 17,316 | 27,018 | 252,424 | 23,195 | 275,619 |
| **Total Assets** | $ 16,874,996 | $ 592,017 | $ 17,467,013 | $ 17,308,727 | $ 580,517 | $ 17,889,244 |
| **Liabilities and Equity** | | | | | | |
| Long term debt | $ 6,455,188 | $ 545,113 | $ 7,000,301 | $ 6,695,923 | $ 529,129 | $ 7,225,052 |
| Credit facility | 33,081 | — | 33,081 | — | — | — |
| Exchangeable Units | 5,453,938 | — | 5,453,938 | 5,521,222 | — | 5,521,222 |
| Trade payables and other liabilities | 482,615 | 46,904 | 529,519 | 723,080 | 51,388 | 774,468 |
| Total Liabilities | 12,424,822 | 592,017 | 13,016,839 | 12,940,225 | 580,517 | 13,520,742 |
| Equity | | | | | | |
| Unitholders' equity | 4,450,174 | — | 4,450,174 | 4,368,502 | — | 4,368,502 |
| Total Equity | 4,450,174 | — | 4,450,174 | 4,368,502 | — | 4,368,502 |
| **Total Liabilities and Equity** | $ 16,874,996 | $ 592,017 | $ 17,467,013 | $ 17,308,727 | $ 580,517 | $ 17,889,244 |

**Balance Sheet Analysis (GAAP Basis)**

| Line Item | $ Change | Variance Commentary |
|---|---|---|
| Investment properties | $ 51,000 | The increase compared to December 31, 2023 was primarily attributable to acquisitions of $38.4 million and capital and leasing expenditures of $37.0 million. The increase was partially offset by dispositions of $23.3 million. |
| Equity accounted joint ventures | (2,312) | The decrease was primarily attributable to net distributions received from joint ventures in the current period, partially offset by income earned from equity accounted joint ventures. |
| Residential development inventory | (6,690) | The decrease was primarily due to the cost of sales recognized in relation to the sale of the Trust's ownership interest of 36 condominium units at its Mount Pleasant Village residential project in Brampton, ON, partially offset by development expenditures incurred during the current period. |
| Mortgages, loans and notes receivable | (240,130) | The decrease was primarily due to the repayment of GWL's prior year outstanding notes receivable balance of $295.8 million and $19.0 million of other mortgage receivable repayments, partially offset by $74.2 million of notes receivable advanced to GWL in the current period. |
| Investment in real estate securities | (29,641) | The decrease was due to a fair value loss of $29.6 million on the real estate securities in the period due to the decrease in the price of Allied's publicly traded units. |
| Working capital | 35,046 | The net increase was primarily due to the reduction in the exchangeable unit distribution payable to GWL upon settlement against prior year's notes receivable balance, partially offset by the distributions deferred in the current year and a reduction in excess cash held following the repayment of the Series D senior unsecured debentures. |
| Long term debt and credit facility | (207,654) | The decrease was primarily due to the repayment of the $200.0 million Series D senior unsecured debentures and net mortgage repayments of $56.2 million, partially offset by advances of $35.0 million on the Trust's credit facility and net construction loan advances of $14.4 million. |
| Exchangeable Units | (67,284) | As this liability is measured at fair value, the change was due to the decrease in the unit price for Choice Properties since December 31, 2023. |
| Unitholders' equity | 81,672 | The increase was primarily due to year-to-date net income, partially offset by the distributions to Unitholders. |

## 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. Refer to Section 14.1, "Investment Properties Reconciliation", for a reconciliation of the continuity of investment properties determined in accordance with GAAP.

The following continuity schedule presents Choice Properties' portfolio inclusive of its financial real estate assets and equity accounted joint ventures prepared on a proportionate share basis(1) for the periods ended, as indicated:

| | Three Months | | |
|---|---|---|---|
| As at or for the period ended March 31, 2024<br>($ thousands) | Income Producing Properties | Properties Under Development | **Investment Properties(i)** |
| GAAP balance, beginning of period | $ 14,635,000 | $ 288,000 | **$ 14,923,000** |
| Adjustments to proportionate share basis(i) | 1,122,000 | 600,000 | **1,722,000** |
| Non-GAAP proportionate share balance(1), beginning of period | 15,757,000 | 888,000 | **16,645,000** |
| Acquisitions of investment properties(ii) | 38,433 | — | **38,433** |
| Capital expenditures | | | |
| Development capital | — | 30,517 | **30,517** |
| Building improvements | 5,777 | — | **5,777** |
| Capitalized interest(iii) | — | 1,603 | **1,603** |
| Property capital | 4,453 | — | **4,453** |
| Direct leasing costs | 1,687 | — | **1,687** |
| Tenant improvement allowances | 4,540 | — | **4,540** |
| Amortization of straight-line rent | 875 | — | **875** |
| Transfers from properties under development | 74,585 | (74,585) | **—** |
| Dispositions | (23,325) | — | **(23,325)** |
| Adjustment to fair value of investment properties | (7,025) | 3,465 | **(3,560)** |
| **Non-GAAP proportionate share balance(1), March 31, 2024** | **$ 15,857,000** | **$ 849,000** | **$ 16,706,000** |

(i) Refer to Section 14.1, "Investment Properties Reconciliation", for a reconciliation of the continuity of investment properties determined in accordance with GAAP.
(ii) Inclusive of acquisition costs.
(iii) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.07%.

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 consolidated financial statements.

### 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 only 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 valuators in preparing their valuation reports and holds discussions with the independent valuators 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 those properties held within equity accounted joint ventures) are listed below by asset class:

| As at March 31, 2024 | **Retail** | **Industrial** | **Mixed-Use & Residential** | **Total Investment Properties** |
|---|---|---|---|---|
| Discount rate | **7.36%** | **6.61%** | **5.81%** | **7.09%** |
| Terminal capitalization rate | **6.59%** | **5.79%** | **5.22%** | **6.32%** |
| Overall capitalization rate | **6.36%** | **5.53%** | **4.96%** | **6.08%** |
| As at December 31, 2023 | Retail | Industrial | Mixed-Use & Residential | Total Investment Properties |
| Discount rate | 7.38% | 6.41% | 5.87% | 7.06% |
| Terminal capitalization rate | 6.59% | 5.59% | 5.27% | 6.27% |
| Overall capitalization rate | 6.37% | 5.33% | 5.01% | 6.04% |

#### Valuation Commentary

For the three months ended March 31, 2024 the Trust recorded an unfavourable adjustment of $1.4 million on a GAAP basis and an unfavourable adjustment of $3.6 million on a proportionate share basis[1] to the value of investment properties.

Fair value adjustments for the period reflected property-specific updates to leasing assumptions and changes in contractual rents, and adjustments to capitalization rates primarily in the industrial portfolio.

## 3.2 Investment Property and Other Transactions

### Acquisitions of Investment Properties

The following table summarizes the investment properties acquired in the three months ended March 31, 2024:

| ($ thousands except where otherwise indicated) | | | | | | Consideration |
|---|---|---|---|---|---|---|
| **Property / Location** | **Date of Acquisition** | **Segment** | **Ownership Interest Acquired** | **GLA (square feet)** | **Purchase Price incl. Related Costs** | **Cash** |
| **Investment properties** | | | | | | |
| 396 St. Clair Ave. W., Toronto, ON | Mar 19 | Retail | 100% | 74,322 | $ 38,433 | $ 38,433 |
| **Acquisitions from related parties** | | | | **74,322** | **$ 38,433** | **$ 38,433** |

### Dispositions of Investment Properties

The following table summarizes the investment properties sold in the three months ended March 31, 2024:

| ($ thousands except where otherwise indicated) | | | | | | Consideration |
|---|---|---|---|---|---|---|
| **Property / Location** | **Date of Disposition** | **Segment** | **Ownership Interest Disposed** | **GLA (square feet)** | **Sale Price excl. Selling Costs** | **Cash** |
| **Investment properties** | | | | | | |
| Crossroads Shopping Centre, Edmonton, AB | Feb 14 | Retail | 50% | 13,520 | $ 6,700 | $ 6,700 |
| 379 Orenda Rd., Brampton, ON | Mar 14 | Industrial | 100% | 114,000 | 16,625 | 16,625 |
| **Dispositions of investment properties** | | | | **127,520** | **$ 23,325** | **$ 23,325** |

### 3.3 Completed Developments

For the three months ended March 31, 2024, Choice Properties completed a total of $74.6 million in development projects delivering 26,000 square feet of commercial space and 101,000 square feet of residential space comprising 151 units (at the Trust's share) with a weighted average yield of 5.1%.

The Trust delivered one retail development in Ontario, consisting of an expansion of an existing building with a national retailer. In addition, the Trust delivered one residential development at Mount Pleasant Village in Brampton, Ontario, in which the Trust owns a 50% interest. This development of 302 units offers a unique rental community in the heart of Brampton's Mount Pleasant Village.

The Trust also 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.

During the three months ended March 31, 2024, there were no material changes to the previously disclosed ranges for expected stabilized yields for completed developments and there were no events in the period that would cause actual results to materially differ from those previously disclosed, unless otherwise noted.

For the three months ended March 31, 2024, 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** | **Completion date** | **Ownership %** | **Transferred GLA (square feet)** | **Transferred residential units(i)** | **Cost of assets transferred** | **Expected stabilized yield(2)** |
| **Commercial** | | | | | | |
| **Retail** | | | | | | |
| Guelph St., Georgetown, ON | Q1 2024 | 100 % | 26,000 | — | $ 7,900 | 8.8 % |
| **Subtotal retail development** | | | **26,000** | **—** | **7,900** | **8.8 %** |
| **Mixed-Use & Residential** | | | | | | |
| Mount Pleasant Village, Brampton, ON | Q1 2024 | 50 % | 101,000 | 151 | 66,685 | 4.7 % (ii) |
| **Subtotal mixed-use & residential development** | | | **101,000** | **151** | **66,685** | **4.7 %** |
| **Total transferred properties at carrying value** | | | **127,000** | **151** | **$ 74,585** | **5.1 %** |

(i) Choice Properties' share.
(ii) Expected stabilized yield for this development has increased due to higher expected income.

### 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.

Choice Properties' development program on a proportionate share basis[1] as at March 31, 2024 is summarized below:

| ($ thousands except where otherwise indicated) | | | GLA[i][ii] (square feet) | Investment[i][iii] | | |
|---|---|---|---|---|---|---|
| **Project type** | **Section** | **Number of projects** | **Estimated upon completion[2]** | **To-date** | **Estimated cost to completion[2][iv]** | **Estimated total** |
| **Projects under active development** | | | | | | |
| Retail | 3.5 | 14 | 144,000 | $ 9,217 | $ 53,209 | $ 62,426 |
| Industrial | 3.5 | 2 | 1,750,000 | 113,766 | 235,021 | 348,787 |
| Residential[v] | | 1 | — | 1,991 | 104 | 2,095 |
| **Subtotal projects under active development** | | **17** | **1,894,000** | **124,974** | **288,334** | **413,308** |
| **Developments in planning** | | | | | | |
| Retail | 3.6 | 11 | 142,000 | 30,304 | | |
| Industrial | 3.6 | 2 | 4,180,000 | 206,786 | | |
| Mixed-Use & Residential | 3.6 | 13 | 10,508,000 | 149,708 | | |
| **Subtotal developments in planning** | | **26** | **14,830,000** | **386,798** | | |
| **Total development - cost** | | **43** | **16,724,000** | **$ 511,772** | | |
| **Total development - fair value[vi]** | | | | **$ 849,000** | | |

(i) Choice Properties' share.
(ii) Estimated GLA is based on current development plans and final development square footage may differ. For developments in planning, GLA is an estimate and may differ as the developments complete the rezoning and entitlement process. Includes GLA associated with ground leases.
(iii) Compiled on a non-GAAP proportionate share basis[1]. Investment to-date compiled on a cash basis, excluding adjustments to fair value of on-going projects.
(iv) The Trust expects to invest approximately 65% during 2024 and the remainder thereafter.
(v) Active residential represents the remaining units of the condominium portion of the Trust's Mount Pleasant Village development project. This project is included within residential development inventory. The Trust expects to recognize the revenue and cost of sales in relation to the remaining units in Q2 of 2024[2].
(vi) Total development fair value excludes residential development inventory of $1,991 as at March 31, 2024 (December 31, 2023 - $8,681).

## 3.5 Properties Under Active Development

Projects under active development are sites under construction or sites with appropriate approvals in place which are expected to commence construction in the next six to twelve months. Currently, the Trust has 17 active developments comprised of 14 retail, 2 industrial and 1 residential projects. Upon completion, the projects under active development are expected to deliver a total of 1,894,000 square feet of commercial space (including 929,000 square feet associated with ground leases). In addition, there are 6 condominium units, at share, left to be sold. The Trust has invested a total of $125.0 million to date and is expected to invest an additional $288.3 million over the next 12-18 months to complete these projects(2).

### Projects Under Active Development – Retail

The Trust invests in retail development projects through intensification of its existing retail assets. The Trust currently has 144,000 square feet at share of active retail development (including 8,000 square feet associated with ground leases), which is expected to be completed in the next 12-18 months(2).

The following table details the Trust's retail projects under active development on a proportionate share basis(1) as of March 31, 2024:

| ($ thousands except where otherwise indicated) | | | | GLA(i) (square feet) | | Investment(i)(ii) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Project / Location | Ownership % | Expected completion date(iii) | Estimated upon completion(2) | % Leased | To-date | Estimated cost to completion(2) | Estimated total | Expected stabilized yield(2)(iv) |
| | **Retail** | | | | | | | | |
| 1 | Harvest Hills Market, Edmonton, AB(v)(vi) | 50 % | H1 2024 | 1,000 | 100 % | $ 141 | $ 376 | $ 517 | 9.75%-10.25% |
| 2 | Carlton Spur, Prince Albert, SK | 25 % | H1 2024 | 2,000 | 100 % | — | 740 | 740 | 8.25%-8.75% |
| 3 | 43rd Ave., Innisfail, AB | 100 % | H1 2024 | 17,000 | 100 % | 3,922 | 2,796 | 6,718 | 6.00%-6.50% |
| 4 | 137 Ave., Edmonton, AB | 100 % | H1 2024 | 7,000 | 100 % | — | 4,793 | 4,793 | 6.25%-6.75% |
| 5 | Sunwapta West, Building 6-8 Edmonton, AB(v)(vi) | 50 % | H2 2024 | 5,000 | 100 % | 1,536 | 1,311 | 2,847 | 8.25%-8.75% |
| 6 | Country Village Rd NE, Calgary, AB | 100 % | H2 2024 | 29,000 | 100 % | 2,095 | 10,615 | 12,710 | 6.00%-6.50% |
| 7 | Sunwapta West, Building 2 A & B, Edmonton, AB(vi) | 50 % | H2 2024 | 8,000 | 100 % | 825 | 2,714 | 3,539 | 6.50%-7.00% |
| 8 | 100th Street, Morinville, AB | 100 % | H2 2024 | 17,000 | 100 % | — | 6,881 | 6,881 | 5.75%-6.25% |
| 9 | 3050 Argentia Rd., Mississauga, ON | 100 % | H2 2024 | 17,000 | 100 % | — | 6,290 | 6,290 | 6.25%-6.75% |
| 10 | 12035 Highway 17E, Sturgeon Falls, ON | 100 % | H2 2024 | 17,000 | 100 % | — | 6,214 | 6,214 | 5.50%-6.00% |
| 11 | Countryview Dr., Dartmouth, NS(v) | 50 % | H1 2025 | 3,000 | 100 % | 351 | 1,351 | 1,702 | 7.25%-7.75% |
| 12 | 291-295 Hwy. # 214, Elmsadale, NS | 100 % | H1 2025 | 17,000 | 100 % | — | 7,465 | 7,465 | 6.25%-6.75% |
| 13 | Harvest Hills Market, Building 8, Edmonton, AB(vi) | 50 % | H1 2025 | 2,000 | 100 % | 335 | 714 | 1,049 | 7.25%-7.75% |
| 14 | 2132 & 2136 McPhillips St., Winnipeg, MB(v) | 100 % | H2 2025 | 2,000 | 100 % | 12 | 949 | 961 | 10.25%-10.75% |
| | **Total retail developments** | | | **144,000** | | **$ 9,217** | **$ 53,209** | **$ 62,426** | **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) There were no material changes in previously reported expected stabilized yields.
(v) This development includes a ground lease.
(vi) Development project with phased completion. Reported expected stabilized yield may vary as phases are completed or as future phases are added to the development.

### Projects Under Active Development – Industrial

The Trust invests in industrial development projects through development of greenfield industrial land. The Trust currently has 2 active development projects, which are expected to deliver 1,750,000 square feet at share (including 921,000 square feet associated with ground leases) of new generation logistics space in the near term(2).

The following table details the Trust's industrial projects under active development on a proportionate share basis(1) as of March 31, 2024:

| ($ thousands except where otherwise indicated) | | | | GLA(i) (square feet) | | Investment(i)(ii) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Project / Location** | **Ownership %** | **Expected completion date(iii)** | **Estimated upon completion(2)** | **% Leased** | **To-date** | **Estimated cost to completion(2)** | **Estimated total** | **Expected stabilized yield(2)(iv)** |
| | **Industrial** | | | | | | | | |
| 1 | Choice Caledon Business Park - Building A, Caledon, ON(v) | 85 % | H2 2024 | 921,000 | 100 % | $ 76,839 | $ 47,691 | $ 124,530 | 7.25%-7.75% |
| 2 | Choice Caledon Business Park - Building H, Caledon, ON(vi) | 85 % | H2 2025 | 829,000 | 64 % | 36,927 | 187,330 | 224,257 | 6.75%-7.25% |
| | **Total industrial developments** | | | **1,750,000** | | **$ 113,766** | **$ 235,021** | **$ 348,787** | **7.00%-7.50%** |

(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) There were no material changes in previously reported expected stabilized yields.
(v) The development is a ground lease. This phase of the development is estimated at 1.1 million square feet or 0.9 million square feet at share based on the current site plan subdivision.
(vi) The development includes an expansion option to the tenant for the entirety of the space.

Choice Caledon Business Park will construct eight state-of-the-art, multi-use industrial buildings in four phases over the next 60 months(2). The first phase of this development has commenced and will deliver Buildings A and H, with the next phase expected to commence in 2026. Building A is leased to Loblaw as an approximately 90-acre ground lease, with rent commencement expected in the first quarter of 2025. Building H is leased to a leading logistics provider, with rent commencement expected in the second quarter of 2026(2).

## 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, 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, 2024, the Trust has identified 26 sites with potential for future development. This includes 11 opportunities totaling 142,000 square feet at existing retail sites, 2 industrial sites totaling 4,180,000 square feet, and 13 residential and mixed-use projects totaling 10,508,000 square feet and 12,257 residential units (at the Trust's share). The development plan for each property is subject to the Trust's completion of its 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 $386.8 million on land acquisition and initial development and planning costs at these sites.

### Retail Development in Planning

Retail intensification is focused on adding at-grade retail density within the existing retail portfolio. These projects provide the opportunity to add new tenants, further expand the high-quality tenant mix and provide steady growth to the business.

| ($ thousands except where otherwise indicated) | | |
|---|---|---|
| | **Number of Sites** | **Investment To-date(i)(ii)** |
| **Retail developments in planning** | **11** | **$ 30,304** |

(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.

The Trust has identified approximately 150 additional retail sites with potential for future development.

### Industrial Development in Planning

| ($ thousands except where otherwise indicated) | | |
|---|---|---|
| | **Number of Sites** | **Investment To-date(i)(ii)** |
| **Industrial developments in planning - zoning approved** | **2** | **$ 206,786** |

(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.

The Trust has obtained zoning approval on two industrial development sites. The following table details the Trust's industrial developments in planning:

| Project / Location | Description |
|---|---|
| **Choice Caledon Business Park - Remaining Phases, Caledon, ON** | During the third quarter of 2022, the joint venture achieved entitlement to convert the lands from agricultural uses to employment uses through a Ministerial Zoning Order. Draft Plan of Subdivision and Site Plan Applications for the first phase were submitted during the second quarter of 2023 and the grading permit was received and site works commenced. Site preparation costs for the subdivision of the remaining phases is expected to be $102.0 million in total, or $86.7 million at share, occurring over the next 12-18 months. The remainder of the development is expected to consist of warehouse, distribution, and industrial uses totaling approximately 4.2 million square feet on 221 net developable acres (at 100% share). The Trust has invested $176.9 million to date, including land acquisition, related to the remaining phases of the development. |
| **Choice Eastway Industrial Centre - Phase 2, East Gwillimbury, ON** | The second phase of the Trust's project constitutes approximately 54 acres (at 100% share) of developable land and is fully zoned. The Trust continues progress on site preparation. The second phase is anticipated to be approximately 0.8 million total square feet (at 100% share). The Trust has invested $29.9 million to date, including land acquisition. |

## 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 sizable 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 further create 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.

The Trust has obtained zoning approval on three residential and mixed-use developments, and has submitted applications for seven residential and mixed-use projects. A total of $149.7 million has been invested to date on land acquisition and initial development and planning costs.

The following table details the Trust's residential and mixed-use development projects by zoning status:

| ($ thousands except where otherwise indicated) | | | | | Estimated GLA(i)(ii) ('000 square feet) | | | |
|---|---|---|---|---|---|---|---|---|
| **Project / Location** | **Type** | **Ownership %** | **Acreage(i)** | **Estimated number of units(i)** | **Commercial** | **Residential** | **Total** | **Investment to-date (i)(iii)** |
| **Zoning approved** | | | | | | | | |
| 1 Golden Mile, Toronto, ON | Mixed-Use | 100 % | 19.0 | 3,597 | 323 | 2,907 | 3,230 | $ 16,235 |
| 2 Grenville & Grosvenor, Toronto, ON | Residential | 50 % | 0.5 | 385 | 17 | 320 | 337 | 36,157 |
| 3 Sheppard Ave. W., Toronto, ON | Residential | 50 % | 0.3 | 100 | 5 | 64 | 69 | 6,969 |
| **Subtotal zoning approved** | | | **19.8** | **4,082** | **345** | **3,291** | **3,636** | **59,361** |
| **Zoning applications submitted** | | | | | | | | |
| 1 Broadview Ave., Toronto, ON | Mixed-Use | 100 % | 3.3 | 503 | 23 | 409 | 432 | 4,105 |
| 2 Carlaw Ave., Toronto, ON | Mixed-Use | 100 % | 5.6 | 1,080 | 84 | 993 | 1,077 | 7,296 |
| 3 Dundas St. W., Toronto, ON | Mixed-Use | 100 % | 13.0 | 1,923 | 178 | 1,477 | 1,655 | 45,369 |
| 4 Parkway Forest Dr., Toronto, ON | Residential | 50 % | 1.5 | 191 | — | 120 | 120 | 1,122 |
| 5 Photography Dr., Toronto, ON | Mixed-Use | 100 % | 7.7 | 2,356 | 50 | 2,010 | 2,060 | 4,375 |
| 6 Warden Ave., Toronto, ON | Residential | 100 % | 6.5 | 1,500 | 10 | 1,072 | 1,082 | 12,769 |
| 7 Woodbine Ave., Toronto, ON | Mixed-Use | 100 % | 1.7 | 622 | 24 | 422 | 446 | 6,494 |
| **Subtotal zoning applications submitted** | | | **39.3** | **8,175** | **369** | **6,503** | **6,872** | **81,530** |
| **Zoning applications to be submitted** | | | | | | | | |
| 1 Lower Jarvis, Toronto, ON | Mixed-Use | 100 % | 4.1 | — | — | — | — | 3,461 |
| 2 North Rd., Coquitlam, BC | Mixed-Use | 100 % | 7.8 | — | — | — | — | 3,293 |
| 3 South Service Rd., Mississauga, ON | Mixed-Use | 100 % | 10.4 | — | — | — | — | 2,063 |
| **Subtotal zoning applications to be submitted** | | | **22.3** | **—** | **—** | **—** | **—** | **8,817** |
| **Total mixed-use & residential projects in planning** | | | **81.4** | **12,257** | **714** | **9,794** | **10,508** | **$ 149,708** |

(i) Choice Properties' share.
(ii) Estimated GLA is based on current development plans and final development square footage may differ. For projects in planning, GLA is an 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.

### 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 one mixed-use and two residential developments in Toronto, Ontario. As of March 31, 2024, the Trust has invested a total of $59.4 million to date on land acquisition and initial development and planning costs.

| Project / Location | Description |
|---|---|
| **Golden Mile, Toronto, ON** | The approximately 19 acre site is located along Eglinton Avenue in the Golden Mile district of Toronto. The current redevelopment plans contemplate a large, mixed-use master-plan community to be built in phases with a focus on high density residential and retail uses. The site is directly adjacent to new transit stations along the first phase of the Eglinton Crosstown LRT, which is currently under construction. The current plan includes approximately 3.2 million square feet of total ground floor area, with 0.3 million square feet of commercial GLA and approximately 3,600 residential units. The development will transform the area through the introduction of the Golden Mile Community Innovation District by bringing together expertise from all stakeholders including community organizations, the local councillor, and post-secondary educational institutions(2). The development will create a community comprising residential and commercial uses along with privately owned public spaces including a new park. The Official Plan and Zoning By-law Amendment Applications have been approved by the City of Toronto and the Trust continues to work with the City to fulfill conditions of subdivision and site plan. |
| **Grenville & Grosvenor, Toronto, ON** | The approximately 1 acre site is located in the area of Yonge Street and College Street in downtown Toronto. The current development plan contemplates two residential towers providing a total 0.7 million square feet of total gross floor area, including 34,000 square feet of commercial GLA and approximately 770 rental residential units (at 100% share). 30% of the residential units will be affordable housing units(2). |
| **Sheppard Avenue West, Toronto, ON** | The 0.6 acre site is located at the northeast corner of Allen Road and Sheppard Avenue West in Toronto. The site is approximately 400 meters from the Sheppard West TTC subway station and in close proximity to Downsview Park and Downsview Airport. The current development plans include a 15 storey residential building comprising 10,000 square feet of commercial GLA and approximately 200 residential units (at 100% share). |

### Zoning Applications Submitted

Choice Properties has submitted zoning applications for five mixed-use and two residential developments in Toronto, Ontario. As of March 31, 2024, the Trust has invested a total of $81.5 million to date on land acquisition and initial development and planning costs.

| Project / Location | Description |
|---|---|
| **Broadview Avenue, Toronto, ON** | The approximately 3 acre site is located at the southwest corner of Danforth Avenue and Broadview Avenue in Toronto's east end and is situated less than 150 metres from the Broadview TTC subway station. The current development proposal includes one residential tower, a new grocery store and a public park. The submitted application proposes 0.4 million square feet of total ground floor area, and approximately 500 residential units. The Trust continues to refine the vision for a mixed-use, transit-oriented development that will transform an underutilized site while highlighting the natural heritage and green connections of the existing community. The Official Plan, Zoning By-law Amendment and Draft Plan of Subdivision Applications have been submitted to the City of Toronto. |
| **Carlaw Avenue, Toronto, ON** | In partnership with the Province of Ontario, Choice Properties has developed a concept for the future transit-oriented community at the northeast corner of Gerrard Street East and Carlaw Avenue. The approximately 5.6 acre commercial centre, currently occupied by several tenants, will become the anchor of the Gerrard TTC subway station on the future Ontario Line. The concept proposes three towers with approximately 1,000 residential units, retail offerings including a new food store, privately owned public space over the transit corridor, a new public street and a public park. Construction for the transit project is anticipated to commence in 2024 until 2030 and beyond(2) at which point, Choice Properties will begin construction on the residential towers. This project will transform the community and provide access to open space, retail and transit, creating the ultimate complete community. The Trust has submitted a Zoning Application by way of the Transit Oriented Communities Program. |

| Project / Location | Description |
|---|---|
| **Dundas Street West, Toronto, ON** | The approximately 13 acre site is located at the southeast corner of Dundas Street West and Bloor Street West in Toronto. The site is at the intersection of several major transit corridors including a TTC subway station, a GO train station and the Union-Pearson Express train. The current redevelopment plans contemplate a large mixed-use community integrated with the surrounding transit services with a focus on high density residential, office, retail and other community uses. The submitted application proposes approximately 1.7 million square feet of total ground floor area, including 0.2 million square feet of commercial GLA, and approximately 1,900 residential units. The development plan contemplates neighbourhood retail and community uses, including a public park. The Official Plan, Rezoning, Plan of Subdivision and Site Plan Applications have been submitted to the City of Toronto. |
| **Parkway Forest Drive, Toronto, ON** | The approximately 3 acre site is located at the southeast intersection of Parkway Forest Drive and Sheppard Avenue East in Toronto. The site is located 350 meters from the Don Mills TTC subway station and currently features a 19-storey rental building and ten rental townhouses. The proposed development will replace five of the existing townhouses with a 33-storey residential building comprised of approximately 382 units (at 100% share). This intensification will support future growth in the City of Toronto by providing additional rental housing stock in a transit-connected neighbourhood. The Official Plan Amendment, Zoning By-law Amendment and Draft Plan of Subdivision Applications have been submitted to the City of Toronto. |
| **Photography Drive, Toronto, ON** | The approximately 7.7 acre site is located at the southwest corner of Eglinton Avenue West and Black Creek Drive in Toronto. The site is within close proximity to several major transit corridors, including the Kitchener GO Line, Union-Pearson Express train and the future Eglinton Crosstown LRT. The proposed redevelopment is comprised of seven mixed-use buildings including residential and retail uses. The application includes a total gross floor area of approximately 2.1 million square feet and 2,400 residential units. Choice Properties continues to refine the vision for a mixed-use, inclusive community where people can live and access amenities, services, transit, and a brand new grocery store, all within walking distance. The Official Plan and Zoning By-law Amendment Applications have been submitted to the City of Toronto. |
| **Warden Avenue, Toronto, ON** | The approximately 6.5 acre site is located south of the intersection of St. Clair Avenue and Warden Avenue in Toronto and 500 meters from the Warden TTC subway station. The current development plan includes approximately 1,500 residential units, over 1.1 million square feet of gross floor area and a proposal for a public park. Choice Properties has submitted an Official Plan Amendment and Zoning By-law Amendment to the City of Toronto. |
| **Woodbine Avenue, Toronto, ON** | The approximately 1.7 acre site is located at the northeast intersection of Woodbine Avenue and Danforth Avenue in the Danforth neighbourhood of Toronto. The site is directly adjacent to the Woodbine TTC subway station. The current redevelopment plan includes at-grade grocery retail, upgraded TTC access and two mixed-use residential buildings, with a potential density of approximately 622 residential units. The design of this project will incorporate the urban design significance of the Danforth neighbourhood and sustainable architecture. The current plan includes a large privately owned public space located off Woodbine Avenue, which provides a seamless transition from the existing neighbourhood to the new retail offering proposed at grade. A revised rezoning application that is more aligned with the evolving planning policies in the Danforth corridor was submitted during the fourth quarter of 2023 to the City of Toronto. |

### 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.

## 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.

The Trust has issued $341,661 (December 31, 2023 - $360,150) 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.

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, 2024, GWL elected to receive distributions from Choice Properties Limited Partnership in the form of loans. As such, non-interest bearing short-term notes totalling $74,210 were issued during the three months ended March 31, 2024 to GWL. Non-interest bearing short-term notes totalling $295,851 with respect to the loans received in the 2023 fiscal year were settled against distributions payable by the Trust to GWL in January 2024.

| | | | GAAP Basis | |
|---|---|---|---|---|
| As at March 31, 2024<br>($ thousands) | **GAAP Basis** | **Proportionate Share Basis[(1)(i)]** | **Weighted average term to maturity (years)** | **Weighted average interest rate (%)** |
| Mortgages receivable | **$ 341,661** | **$ 247,496** | 0.6 | 7.99 % |
| Notes receivable from GWL | **74,210** | **74,210** | — | — % |
| **Mortgages, loans and notes receivable** | **$ 415,871** | **$ 321,706** | | |

(i) Adjustment to proportionate share basis[(1)] eliminates mortgage receivable balances advanced to an equity accounted joint venture at the Trust's share.

| | | | GAAP Basis | |
|---|---|---|---|---|
| As at December 31, 2023<br>($ thousands) | GAAP Basis | Proportionate Share Basis[(1)(i)] | Weighted average term to maturity (years) | Weighted average interest rate (%) |
| Mortgages receivable | $ 360,150 | $ 264,394 | 0.8 | 8.14 % |
| Notes receivable from GWL | 295,851 | 295,851 | — | — % |
| Mortgages, loans and notes receivable | $ 656,001 | $ 560,245 | | |

(i) Adjustment to proportionate share basis[(1)] eliminates mortgage receivable balances advanced to an equity accounted joint venture at the Trust's share.

## 4. LIQUIDITY AND CAPITAL RESOURCES

### 4.1 Major Cash Flow Components

| For the periods ended March 31 ($ thousands) | Three Months 2024 | 2023 | Change $ |
|---|---|---|---|
| Cash and cash equivalents, beginning of period - GAAP basis | $ 252,424 | $ 64,736 | $ 187,688 |
| Cash flows from operating activities | 141,592 | 133,027 | 8,565 |
| Cash flows from (used in) investing activities | (112,230) | (208,267) | 96,037 |
| Cash flows from (used in) financing activities | (272,084) | 55,170 | (327,254) |
| **Cash and cash equivalents, end of period - GAAP basis** | **$ 9,702** | $ 44,666 | $ (34,964) |

**Cash Flows from Operating Activities**

**Three Months**

Cash flows from operating activities increased for the three month period compared to the prior year primarily due to an increase in net operating income, a decrease in expenditures on direct leasing costs and tenant allowances, a favourable change in non-cash working capital, an increase in distributions from equity accounted joint ventures, and higher interest received. The increase was partially offset by an increase in interest paid.

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

**Cash Flows from (used in) Investing Activities**

**Three Months**

Cash flows used in investing activities decreased for the three month period compared to the prior year primarily due to a decrease in cash used for acquisitions of investment properties and financial real estate assets, net of proceeds from dispositions, and a decrease in contributions to equity accounted joint ventures. The decrease was partially offset by a decrease in mortgages receivable repayments from third-parties, net of advances.

**Cash Flows from (used in) Financing Activities**

**Three Months**

Cash flows used in financing activities increased for the three month period compared to the prior year primarily due to the repayment of senior unsecured debentures and mortgages payable in the current year as compared to the net issuance of debentures and mortgages in the prior year. The increase was partially offset by the impact of net advances of the credit facility and construction loans in the current year as compared to net repayments in the prior year.

### 4.2 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 March 31, 2024 | | As at December 31, 2023 | | Change $ |
|---|---|---|---|---|---|---|
| Cash and cash equivalents - proportionate share basis[(1)(i)] | $ | 27,018 | $ | 275,619 | $ | (248,601) |
| Unused portion of the credit facility | | 1,465,000 | | 1,500,000 | | (35,000) |
| **Liquidity** | $ | 1,492,018 | $ | 1,775,619 | $ | (283,601) |
| **Unencumbered assets - proportionate share basis[(1)]** | $ | 12,923,524 | $ | 12,718,125 | $ | 205,399 |

(i) As at March 31, 2024, cash and cash equivalents included $nil of short-term investments (December 31, 2023 - $144,441).

### 4.3 Components of Total Adjusted Debt

Choice Properties' debt structure was as follows:

| | | | | | Proportionate Share Basis[(1)] | |
|---|---|---|---|---|---|---|
| As at March 31, 2024<br>($ thousands) | | GAAP Basis | | Proportionate Share Basis[(1)] | Weighted average term to maturity (years) | Weighted average interest rate (%) |
| Construction loans | $ | 49,349 | $ | 178,323 | 0.5 | 6.79 % |
| Credit facility | | 35,153 | | 35,153 | 4.4 | 6.36 % |
| Less: Debt placement costs | | (2,072) | | (2,072) | | |
| Variable rate debt | | 82,430 | | 211,404 | 1.1 | 6.72% |
| Construction loans | | 55,151 | | 55,151 | 7.1 | 2.08 % |
| Senior unsecured debentures | | 5,450,000 | | 5,450,000 | 5.5 | 4.06 % |
| Mortgages payable | | 920,426 | | 1,344,287 | 6.7 | 3.93 % |
| Less: Debt placement costs, discounts and premiums | | (19,738) | | (27,460) | | |
| Fixed rate debt | | 6,405,839 | | 6,821,978 | 5.7 | 4.02% |
| **Total adjusted debt, net** | $ | 6,488,269 | $ | 7,033,382 | | |

| | | | | | Proportionate Share Basis[(1)] | |
|---|---|---|---|---|---|---|
| As at December 31, 2023<br>($ thousands) | | GAAP Basis | | Proportionate Share Basis[(1)] | Weighted average term to maturity (years) | Weighted average interest rate (%) |
| Construction loans | $ | 49,603 | $ | 160,370 | 0.7 | 6.84 % |
| Credit facility | | — | | — | — | — % |
| Less: Debt placement costs[(i)] | | — | | — | | |
| Variable rate debt | | 49,603 | | 160,370 | 0.7 | 6.84 % |
| Construction loans | | 40,456 | | 40,456 | 7.3 | 2.08 % |
| Senior unsecured debentures | | 5,650,000 | | 5,650,000 | 5.5 | 4.07 % |
| Mortgages payable | | 976,661 | | 1,402,858 | 6.6 | 3.94 % |
| Less: Debt placement costs, discounts and premiums | | (20,797) | | (28,632) | | |
| Fixed rate debt | | 6,646,320 | | 7,064,682 | 5.7 | 4.03 % |
| Total adjusted debt, net | $ | 6,695,923 | $ | 7,225,052 | | |

**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 and fixed rate non-revolving construction facilities, in which certain subsidiaries of the Trust guarantee its own share. These construction loans, which mature throughout 2024 to 2031, have a maximum capacity to be drawn at the Trust's ownership interest of $448,237, of which $328,261 relates to equity accounted joint ventures, as at March 31, 2024 (December 31, 2023 - $447,987 and $328,261, respectively).

As at March 31, 2024, $233,474 was drawn on the construction loans, of which $128,974 relates to equity accounted joint ventures. The construction loans had a weighted average interest rate of 5.68% and a weighted average term to maturity of 2.1 years (December 31, 2023 - 5.88% and 2.0 years, respectively).

**Credit Facility**
Choice Properties has a $1,500,000 senior unsecured committed revolving credit facility maturing September 1, 2028, provided by a syndicate of lenders. 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 Bankers' Acceptance rate plus 1.20%, 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 or S&P remaining at BBB (high). Concurrently with the U.S. dollar draws, the Trust enters into cross currency swaps to exchange its U.S. dollar borrowings into Canadian dollar borrowings. The Trust has applied hedge accounting to the cross currency swaps.

As at March 31, 2024, the Trust has drawn in U.S. dollars the equivalent of $35,000 Canadian dollars (December 31, 2023 - $nil) and $nil was drawn in Canadian dollar borrowings (December 31, 2023 - $nil). The full amount drawn was exchanged and revalued at $35,153 Canadian dollars as at March 31, 2024. Total drawn under the syndicated facility as at March 31, 2024 in equivalent Canadian dollars was $35,000 (December 31, 2023 - $nil).

The credit facility contains certain financial covenants. As at March 31, 2024, the Trust was in compliance with all its financial covenants for the credit facility.

**Senior Unsecured Debentures**
On February 8, 2024, the Trust paid in full upon maturity, at par, plus accrued and unpaid interest thereon, the $200 million aggregate principal amount of the 4.29% Series D senior unsecured debentures outstanding. The repayment of the Series D senior unsecured debentures was funded by proceeds from the repayment of the Allied promissory note received on December 29, 2023.

**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, 2024:

| | GAAP Basis | | Adjustment to Proportionate Share Basis(1) | Proportionate Share Basis(1) |
|---|---|---|---|---|
| For the three months ended March 31, 2024<br>($ thousands) | **Credit facility** | **Construction loans** | **Construction loans(i)** | **Total adjusted debt, variable rate** |
| Principal balance outstanding, beginning of period | $ — | $ 49,603 | $ 110,767 | $ 160,370 |
| Issuances and advances | 35,000 | 1,330 | 18,207 | 54,537 |
| Repayments | — | (1,584) | — | (1,584) |
| Translation of US dollar denominated borrowings | 153 | — | — | 153 |
| **Principal balance outstanding, end of period** | **$ 35,153** | **$ 49,349** | **$ 128,974** | **$ 213,476** |

(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, 2024:

| For the three months ended March 31, 2024 ($ thousands) | GAAP Basis | | | Adjustment to Proportionate Share Basis(1) | Proportionate Share Basis(1) |
|---|---|---|---|---|---|
| | **Senior unsecured debentures** | **Mortgages payable** | **Construction loans** | **Mortgages payable(i)** | **Total adjusted debt, fixed rate** |
| Principal balance outstanding, beginning of period | $ 5,650,000 | $ 976,661 | $ 40,456 | $ 426,198 | $ 7,093,315 |
| Issuances and advances | — | — | 14,695 | — | 14,695 |
| Repayments | (200,000) | (56,235) | — | (2,337) | (258,572) |
| **Principal balance outstanding, end of period** | **$ 5,450,000** | **$ 920,426** | **$ 55,151** | **$ 423,861** | **$ 6,849,438** |

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

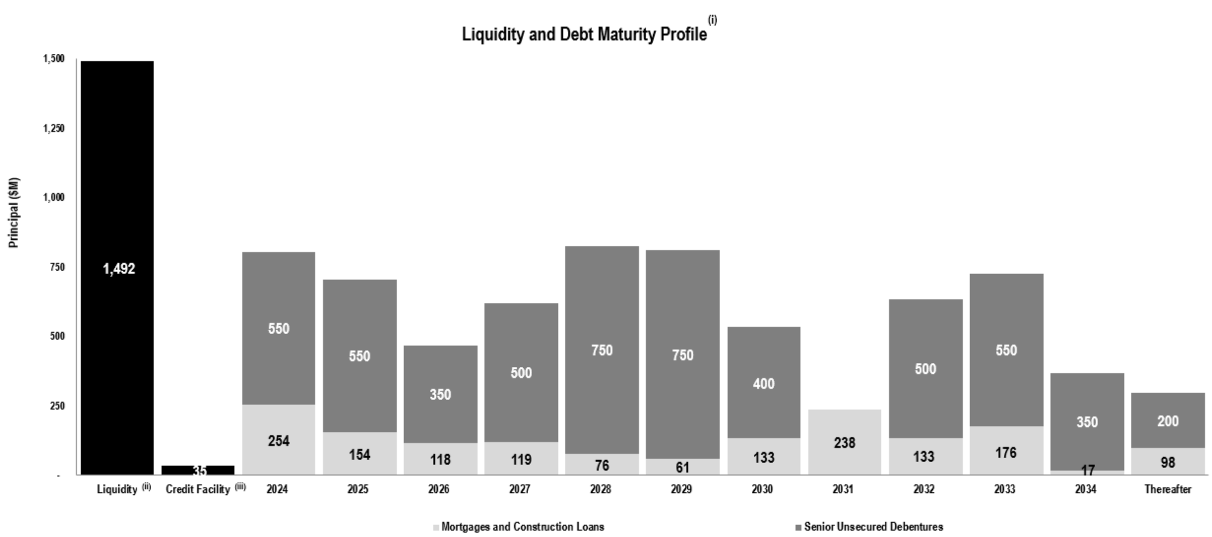
### Schedules of Repayments and Cash Flow Activities

The schedule of principal repayment 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, 2024 ($ 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 2024 | $ — | $ 550,000 | $ 90,516 | $ 49,349 | $ 7,440 | $ 106,916 | **$ 804,221** |
| 2025 | — | 550,000 | 122,582 | — | 9,799 | 22,058 | **704,439** |
| 2026 | — | 350,000 | 68,791 | — | 49,017 | — | **467,808** |
| 2027 | — | 500,000 | 89,615 | — | 29,562 | — | **619,177** |
| 2028 | 35,153 | 750,000 | 49,589 | — | 26,593 | — | **861,335** |
| Thereafter | — | 2,750,000 | 499,333 | 55,151 | 301,450 | — | **3,605,934** |
| **Total adjusted debt outstanding** | **$ 35,153** | **$ 5,450,000** | **$ 920,426** | **$ 104,500** | **$ 423,861** | **$ 128,974** | **$ 7,062,914** |

(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.




(i) Presented on a proportionate share basis(1).
(ii) Includes cash and cash equivalents.
(iii) The credit facility matures on September 1, 2028.

### 4.4 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, 2024 and December 31, 2023.

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

| | | As at March 31, 2024 | As at December 31, 2023 |
|---|---|---|---|
| **Adjusted Debt to Total Assets**[i] | Limit: Maximum excluding convertible debt is 60.0% | **40.3 %** | 40.4 % |
| **Debt Service Coverage Ratio**[i] | Limit: Minimum 1.5x | **3.1x** | 3.0x |
| **Adjusted Debt to EBITDAFV**[1][i][ii][iv] | | **6.9x** | 7.2x |
| **Interest Coverage Ratio**[1][iii][iv] | | **3.5x** | 3.4x |

(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 14.8, "Earnings Before Interest, Taxes, Depreciation, Amortization and Fair Value", for a reconciliation of net income to EBITDAFV used in this ratio.
(iii) Refer to Section 14.7, "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 and Interest Coverage Ratio 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".

### 4.5 Credit Ratings

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

On May 18, 2023, S&P confirmed the Choice Properties rating at BBB with a stable outlook. On August 16, 2023, DBRS confirmed the Choice Properties rating at BBB (high) with a stable 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, 2024:

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

### 4.6 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, 2024 | Year ended December 31, 2023 |
|---|---|---|
| Units, beginning of period | **327,859,972** | 327,771,149 |
| Units issued under unit-based compensation arrangements | **282,574** | 329,716 |
| Units repurchased for unit-based compensation arrangements | **(282,574)** | (240,893) |
| **Units, end of period** | **327,859,972** | 327,859,972 |
| **Exchangeable Units, end of period** | **395,786,525** | 395,786,525 |
| **Total Units and Exchangeable Units, end of period** | **723,646,497** | 723,646,497 |

**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 17, 2023, Choice Properties received approval from the TSX to purchase up to 27,563,002 Units during the twelve-month period from November 21, 2023 to November 20, 2024, 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 under Unit-Based Compensation Arrangements**
Units were issued as part of settlements under the Unit Option Plan and grants 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 three months ended March 31, 2024 and the year ended December 31, 2023, 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.

**Distributions**
The distributions declared for the three months ended March 31, 2024 and 2023, including distributions to holders of Exchangeable Units, were as follows:

| For the periods ended March 31<br>($ thousands) | Three Months | | |
|---|---|---|---|
| | **2024** | 2023 | Change $ |
| **Total distributions declared** | **$ 136,287** | $ 134,478 | $ 1,809 |

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 14, 2024, the Board reviewed and approved an increase of distributions to $0.76 per unit per annum from the previous rate of $0.75 per unit per annum (an increase of 1.3%). The increase was effective for Unitholders of record on March 31, 2024.

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

## 4.7 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 required for operating capital expenditures to maintain productive capacity of the investment properties which adds volatility to the values due to seasonality of capital projects. Management includes this non-GAAP measure in its assessment of cash flow available for distributions. Refer to Section 14.5, "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<br>($ thousands) | Three Months | | |
|---|---|---|---|
| | **2024** | 2023 | Change $ |
| Adjusted Cash Flow from Operations[1] | **$ 173,905** | $ 167,055 | $ 6,850 |
| Cash distributions declared | **136,287** | 134,478 | 1,809 |
| Cash retained after cash distributions | **$ 37,618** | $ 32,577 | $ 5,041 |
| ACFO[1] payout ratio | **78.4 %** | 80.5 % | (2.1)% |

**Three Months**

ACFO[1] increased for the three month period compared to the prior year primarily due to the increase in net operating income and interest income. The increase was partially offset by an increase in interest expense due to higher interest rates.

### 4.8 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 US$ on the Trust's credit facility. During the three months ended March 31, 2024, an interest swap was settled upon maturity of the underlying variable rate mortgage. As at March 31, 2024, the interest rates associated with the interest rate swaps ranged from 2.8% to 5.0% (December 31, 2023 - 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, 2024 | As at December 31, 2023 |
|---|---|---|---|---|
| **Derivative assets** | | | | |
| Interest rate swaps | **Nov 2025 - Jun 2030** | **$ 154,142** | **$ 9,959** | $ 7,872 |
| Cross currency swaps | **April 2024** | **35,000** | **153** | — |
| **Total derivative assets** | | **$ 189,142** | **$ 10,112** | $ 7,872 |
| **Derivative liabilities** | | | | |
| Interest rate swaps | **—** | **$ —** | **$ —** | $ 1,337 |
| **Total derivative liabilities** | | **$ —** | **$ —** | $ 1,337 |

During the three months ended March 31, 2024, Choice Properties recorded an unrealized fair value gain in other comprehensive income (loss) of $3,424 (March 31, 2023 - unrealized fair value loss of $6,890).

### 4.9 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. As at March 31, 2024, the aggregate gross potential liability related to these letters of credit totalled $38,900 (December 31, 2023 - $37,668).

## 5. RESULTS OF OPERATIONS

Choice Properties' results, as reported under GAAP, for the three months ended March 31, 2024 and March 31, 2023 are summarized below:

| For the periods ended March 31<br>($ thousands) | Three Months | | | |
|---|---|---|---|---|
| | **2024** | 2023 | Change $ | % Change |
| **Net Operating Income** | | | | |
| Rental revenue | **$ 337,958** | $ 324,657 | $ 13,301 | 4.1 % |
| Property operating costs | **(98,105)** | (95,270) | (2,835) | 3.0 % |
| | **239,853** | 229,387 | 10,466 | 4.6 % |
| **Residential Inventory Income** | | | | |
| Gross sales | **11,268** | $ — | $ 11,268 | — % |
| Cost of sales | **(9,234)** | — | (9,234) | — % |
| | **2,034** | — | 2,034 | — % |
| **Other Income and Expenses** | | | | |
| Interest income | **9,759** | 8,975 | 784 | 8.7 % |
| Investment income[(i)] | **5,315** | 5,315 | — | — % |
| Fee income | **701** | 1,653 | (952) | (57.6)% |
| Net interest expense and other financing charges | **(142,284)** | (139,357) | (2,927) | 2.1 % |
| General and administrative expenses | **(14,638)** | (14,562) | (76) | 0.5 % |
| Share of income from equity accounted joint ventures | **4,718** | 22,824 | (18,106) | (79.3)% |
| Amortization of intangible assets | **(250)** | (250) | — | — % |
| Transaction costs and other related expenses | **—** | (25) | 25 | (100.0)% |
| Adjustment to fair value of unit-based compensation | **781** | 732 | 49 | 6.7 % |
| Adjustment to fair value of Exchangeable Units | **67,284** | 94,989 | (27,705) | (29.2)% |
| Adjustment to fair value of investment properties | **(1,365)** | 75,767 | (77,132) | (101.8)% |
| Adjustment to fair value of investment in real estate securities | **(29,641)** | (14,643) | (14,998) | 102.4 % |
| **Income before Income Taxes** | **142,267** | 270,805 | (128,538) | (47.5)% |
| Income tax recovery (expense) | **12** | (1) | 13 | (1,300.0)% |
| **Net Income** | **$ 142,279** | $ 270,804 | $ (128,525) | (47.5)% |

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

Adjustments to fair value can vary widely from quarter to quarter, 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

Net income decreased for the three month period compared to the prior year primarily due to changes in the non-cash adjustments to fair value including: a $77.1 million unfavourable change in the adjustment to fair value of investment properties, a $27.7 million unfavourable change in the adjustment to fair value of the Trust's Exchangeable Units due to the change in the Trust's Unit price, a $18.1 million unfavourable change in the income from equity accounted joint ventures primarily due to a fair value loss recognized on investment properties held within equity accounted joint ventures in the current quarter compared to a gain in the prior year period, and a $15.0 million unfavourable change in the adjustment to fair value of the investment in the real estate securities of Allied. The unfavourable changes in fair value were partially offset by an increase in net operating income of $10.5 million.

### 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<br>($ thousands) | Three Months<br>2024 | <br>2023 | <br>Change $ |
|---|---|---|---|
| Rental revenue | **$ 337,958** | $ 324,657 | $ 13,301 |
| Property operating costs | **(98,105)** | (95,270) | (2,835) |
| **Net Operating Income** | **$ 239,853** | $ 229,387 | $ 10,466 |

**Three Months**

Rental revenue increased for the three month period compared to the prior year primarily due to higher rental rates on renewals, new leasing, and contractual rent steps, mainly in the retail and industrial portfolios. Further contributing to the increase were higher capital recoveries, acquisitions and completed developments, and higher lease surrender revenue. Included in lease surrender revenue in the first quarter of 2024 was $2.5 million related to right-sizing a Loblaw grocery store in Markham, ON.

### Residential Inventory Income

| For the periods ended March 31<br>($ thousands) | Three Months<br>2024 | <br>2023 | <br>Change $ |
|---|---|---|---|
| Gross sales | **$ 11,268** | $ — | $ 11,268 |
| Cost of sales | **(9,234)** | — | (9,234) |
| **Residential Inventory Income** | **$ 2,034** | $ — | $ 2,034 |

**Three Months**

During the period, the Trust recognized gross sales and cost of sales related to the sale of the Trust's ownership interest of 36 condominium units of its Mount Pleasant Village residential project in Brampton, ON.

### Interest Income

| For the periods ended March 31<br>($ thousands) | Three Months<br>2024 | <br>2023 | <br>Change $ |
|---|---|---|---|
| Interest income from mortgages and loans receivable | **$ 5,753** | $ 5,508 | $ 245 |
| Income earned from financial real estate assets | **2,261** | 2,341 | (80) |
| Income (loss) from financial real estate assets due to changes in value | **(292)** | 160 | (452) |
| Other interest income | **2,037** | 966 | 1,071 |
| **Interest Income** | **$ 9,759** | $ 8,975 | $ 784 |

**Three Months**

Interest income increased for the three month period compared to the prior year primarily due to the additional interest income earned on excess cash during the first quarter of 2024. The increase was partially offset by an unfavourable change in the fair value of the financial real estate assets.

### Fee Income

Fees charged to third parties include property management fees, leasing fees and project 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 activity. Choice Properties provides Wittington with property management services for certain properties with third-party tenancies and development consulting services on a fee for service basis (see Section 9, “Related Party Transactions”).

| For the periods ended March 31<br>($ thousands) | Three Months<br>2024 | <br>2023 | <br>Change $ |
|---|---|---|---|
| Fees charged to related party | $ 63 | $ 328 | $ (265) |
| Fees charged to third parties | 638 | 1,325 | (687) |
| **Fee Income** | **$ 701** | **$ 1,653** | **$ (952)** |

#### Three Months

Fee income decreased for the three month period compared to the prior year primarily due to a decrease in leasing and project management services provided to third parties, in addition to a decrease in development consulting fees from Wittington.

### Net Interest Expense and Other Financing Charges

| For the periods ended March 31<br>($ thousands) | Three Months<br>2024 | <br>2023 | <br>Change $ |
|---|---|---|---|
| Interest on senior unsecured debentures | $ 55,968 | $ 51,041 | $ 4,927 |
| Interest on mortgages and construction loans | 9,960 | 9,685 | 275 |
| Interest on credit facility | 1,049 | 4,628 | (3,579) |
| Interest on right-of-use lease liabilities | 12 | 18 | (6) |
| Amortization of debt discounts and premiums | 161 | 28 | 133 |
| Amortization of debt placement costs | 1,138 | 1,445 | (307) |
| Capitalized interest | (544) | (1,039) | 495 |
| | 67,744 | 65,806 | 1,938 |
| Distributions on Exchangeable Units to GWL | 74,540 | 73,551 | 989 |
| **Net interest expense and other financing charges** | **$ 142,284** | **$ 139,357** | **$ 2,927** |

#### Three Months

Net interest expense and other financing charges increased for the three month period compared to the prior year primarily due to new debt issuances over the past twelve months bearing interest at a higher rate than maturing debt, an increase in the prime rate, and a decrease in capitalized interest following the completion of several significant developments in the current quarter and in the fourth quarter of 2023.

## General and Administrative Expenses

| For the periods ended March 31 ($ thousands) | Three Months 2024 | 2023 | Change $ |
|---|---|---|---|
| Salaries, benefits and employee costs | $ 17,288 | $ 17,450 | $ (162) |
| Investor relations and other public entity costs | 796 | 652 | 144 |
| Professional fees | 1,148 | 769 | 379 |
| Information technology costs | 1,866 | 1,785 | 81 |
| Services Agreement expense charged by related party[(i)] | 1,247 | 1,242 | 5 |
| Amortization of other assets | 311 | 348 | (37) |
| Office related costs | 432 | 279 | 153 |
| Other | 357 | 505 | (148) |
| | 23,445 | 23,030 | 415 |
| Less: | | | |
| Capitalized to properties under development | (3,328) | (2,902) | (426) |
| Allocated to recoverable operating expenses | (5,479) | (5,566) | 87 |
| **General and administrative expenses** | **$ 14,638** | $ 14,562 | $ 76 |

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

### Three Months

General and administrative expenses for the three month period were consistent with prior year, as increases in expenses were partially offset by an increase in expenses capitalized to properties under development due to continued advancement of projects in the pipeline.

## 6. LEASING ACTIVITY

Choice Properties' leasing activities are focused 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, 2024:

| (in thousands of square feet except where otherwise indicated) | December 31, 2023 | | | | | | | | | **Three Months March 31, 2024** | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Leasable | Occupied | Occupied % | Expiries | New | Renewals | Subtotal: Absorption | Portfolio changes[iv] | Acquired / (Disposed) vacancy | **Leasable** | **Occupied** | **Occupied %** |
| Retail[i] | 44,691 | 43,667 | 97.7 % | (399) | 31 | 335 | (33) | 122 | (11) | **44,802** | **43,756** | **97.7 %** |
| Industrial[ii] | 19,655 | 19,458 | 99.0 % | (295) | 89 | 158 | (48) | (114) | — | **19,541** | **19,296** | **98.8 %** |
| Mixed-Use & Residential[iii] | 1,134 | 1,068 | 94.2 % | — | 10 | — | 10 | (4) | 4 | **1,134** | **1,074** | **94.7 %** |
| **Total** | 65,480 | 64,193 | 98.0 % | (694) | 130 | 493 | (71) | 4 | (7) | **65,477** | **64,126** | **97.9 %** |

(i) Includes 662,000 sq. ft. that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases (December 31, 2023 - 657,000 sq. ft.).
(ii) Includes 1,191,000 sq. ft. that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases (December 31, 2023 - 1,191,000 sq. ft.).
(iii) Occupancy represents retail and office portion of mixed-use properties, residential units are excluded.
(iv) Represents changes in occupied square footage arising from acquisitions, dispositions, intensifications, expansions, and transfers from properties under development.

At March 31, 2024, the Trust had 31 retail sites and 5 industrial sites leased to tenants through ground leases (December 31, 2023 - 30 retail and 5 industrial). Tenants have constructed buildings on sites with gross building area of approximately 1,853,000 sq. ft. at the Trust's share (December 31, 2023 - 1,848,000 sq. ft.). In addition, the Trust has 177 gas bars in its retail segment (December 31, 2023 - 178), which have been excluded from the occupancy tables.

### Three Months

Occupancy decreased slightly to 97.9% as at March 31, 2024 from 98.0% as at December 31, 2023. The Trust had negative absorption of approximately 81,000 square feet in the retail and industrial segment primarily due to two known vacancies, one in Alberta and one in Ontario, partially offset by new leasing of 89,000 sq. ft.

Portfolio changes of approximately 4,000 square feet are primarily due to the acquisition of one Ontario retail property from Loblaw and the transfer of one retail intensification property in Ontario, partially offset by the disposition of one Ontario industrial property.

Choice Properties' principal tenant, Loblaw, represents 57.9% of its total GLA (December 31, 2023 - 57.7%).

| | **As at March 31, 2024** | | | | As at December 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| (in millions of square feet except where otherwise indicated) | **Portfolio GLA** | **Occupied GLA** | **Occupancy (%)** | **WALT[i] (years)** | Portfolio GLA | Occupied GLA | Occupancy (%) | WALT[i] (years) |
| Loblaw banners[ii] | **37.9** | **37.9** | **100.0%** | **6.3** | 37.8 | 37.8 | 100.0% | 6.5 |
| Third-party tenants[iii] | **27.6** | **26.2** | **94.9%** | **5.3** | 27.7 | 26.4 | 95.4% | 5.4 |
| **Total commercial GLA** | **65.5** | **64.1** | **97.9%** | **5.9** | 65.5 | 64.2 | 98.0% | 6.0 |

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

The lease maturity profile for Choice Properties' portfolio as at March 31, 2024 was as follows:

| (in thousands of square feet except where otherwise indicated) | Third-party GLA | Loblaw GLA | Total GLA | Expiring GLA as a % of total GLA | Expiring annualized base rent ($ 000's) | Average expiring base rent (per square foot) |
|---|---|---|---|---|---|---|
| Month-to-month | 281 | 82 | 363 | 0.6 % | $ 5,822 | $ 16.13 |
| Remainder of 2024 | 1,576 | 44 | 1,620 | 2.5 % | 19,345 | 11.94 |
| 2025 | 3,563 | 3,181 | 6,744 | 10.3 % | 85,500 | 12.68 |
| 2026 | 3,507 | 2,807 | 6,314 | 9.6 % | 94,141 | 14.97 |
| 2027 | 3,112 | 3,956 | 7,068 | 10.8 % | 114,762 | 16.24 |
| 2028 | 3,498 | 4,941 | 8,439 | 12.9 % | 135,484 | 16.05 |
| 2029 | 2,165 | 7,102 | 9,267 | 14.2 % | 145,557 | 15.71 |
| 2030 & Thereafter | 7,633 | 14,825 | 22,458 | 34.2 % | 376,016 | 16.74 |
| Occupied GLA | 25,335 | 36,938 | 62,273 | 95.1 % | 976,627 | 15.68 |
| Ground lease GLA(i) | 922 | 931 | 1,853 | 2.8 % | 20,800 | 11.23 |
| Vacant GLA | 1,351 | — | 1,351 | 2.1 % | — | — |
| **Total** | **27,608** | **37,869** | **65,477** | **100.0 %** | **$ 997,427** | **$ 15.55** |

(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 reliable cash flow. It is primarily leased to grocery stores, pharmacies, and other necessity-based tenants. Stability is attained through a strategic relationship and long-term leases with Loblaw.

The Trust's ten largest retail tenants for the three months ended March 31, 2024 represented approximately 56.9% of total gross rental revenue and 72.9% of retail 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.

| Retail Tenants | | % of Retail Gross Rental Revenue | GLA (000's square feet) |
|---|---|---|---|
| 1. | Loblaws | 63.6 % | 31,034 |
| 2. | Canadian Tire | 1.9 % | 936 |
| 3. | TJX Companies | 1.6 % | 689 |
| 4. | Dollarama | 1.5 % | 584 |
| 5. | Goodlife | 0.9 % | 362 |
| 6. | Liquor Control Board of Ontario (LCBO) | 0.7 % | 198 |
| 7. | TD Canada Trust | 0.7 % | 132 |
| 8. | Sobeys | 0.7 % | 333 |
| 9. | Staples | 0.7 % | 283 |
| 10. | Walmart | 0.6 % | 544 |
| **Total** | | **72.9 %** | **35,095** |

The following table outlines further details of the Trust's retail tenant composition as at March 31, 2024:

| Retail Category | % of Retail Gross Rental Revenue | GLA (000's square feet) |
|---|---|---|
| Grocery & Pharmacy | 67.5 % | 32,873 |
| Essential Services | 14.7 % | 4,411 |
| Specialty & Value | 5.6 % | 2,272 |
| Fitness & Other Personal Services | 4.8 % | 1,669 |
| Full-Service Restaurants | 2.9 % | 1,211 |
| Furniture & Home | 2.7 % | 693 |
| Other | 1.8 % | 627 |
| **Total** | **100.0 %** | **43,756** |

The lease maturity profile for Choice Properties' retail portfolio as at March 31, 2024 was as follows:

| (in thousands of square feet except where otherwise indicated) | Third-party GLA | Loblaw GLA | Total GLA | Expiring GLA as a % of total GLA | Expiring annualized base rent ($ 000's) | Average expiring base rent (per square foot) |
|---|---|---|---|---|---|---|
| Month-to-month | 222 | 82 | 304 | 0.7 % | $ 5,263 | $ 17.46 |
| Remainder of 2024[(i)] | 669 | 44 | 713 | 1.6 % | 11,463 | 16.09 |
| 2025 | 1,452 | 2,992 | 4,444 | 9.9 % | 67,888 | 15.29 |
| 2026 | 2,001 | 2,807 | 4,808 | 10.7 % | 78,992 | 16.52 |
| 2027 | 1,834 | 3,956 | 5,790 | 12.9 % | 101,471 | 17.53 |
| 2028 | 1,761 | 4,141 | 5,902 | 13.2 % | 105,941 | 17.95 |
| 2029 | 1,201 | 6,439 | 7,640 | 17.1 % | 126,205 | 16.52 |
| 2030 & Thereafter | 2,920 | 10,573 | 13,493 | 30.1 % | 265,391 | 19.67 |
| Occupied GLA | 12,060 | 31,034 | 43,094 | 96.2 % | 762,614 | 17.70 |
| Ground lease GLA[(ii)] | 662 | — | 662 | 1.5 % | 6,809 | 10.29 |
| Vacant GLA | 1,046 | — | 1,046 | 2.3 % | — | — |
| **Total** | **13,768** | **31,034** | **44,802** | **100.0 %** | **$ 769,423** | **$ 17.58** |

(i) The 713,000 sq. ft. of GLA maturing in 2024 is located in the following markets: 37.7% Greater Toronto Area, 17.4% Greater Montreal Area, 16.1% Ottawa, 6.3% Calgary, and 22.5% other markets.
(ii) Represents the building area on properties where the Trust has leased the underlying sites to tenants through ground leases.

As at March 31, 2024 the average in place base rent for the Trust's retail portfolio, excluding ground leases, was $16.85 per square foot.

### 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 ten largest industrial tenants for the three months ended March 31, 2024 represented approximately 10.9% of total gross rental revenue and 57.5% of industrial 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 Gross Rental Revenue | GLA (000's square feet) |
|---|---|---|---|
| 1. | Loblaw | 29.0 % | 6,093 |
| 2. | Amazon | 5.1 % | 1,020 |
| 3. | Canada Cartage | 4.6 % | 672 |
| 4. | Wonderbrands Inc. | 3.9 % | 1,050 |
| 5. | Pet Valu | 3.7 % | 353 |
| 6. | NFI IPD | 2.6 % | 354 |
| 7. | Uline Canada Corporation | 2.4 % | 635 |
| 8. | Canadian Tire | 2.1 % | 486 |
| 9. | Kimberly-Clark | 2.1 % | 514 |
| 10. | Alberta Gaming, Liquor and Cannabis | 2.0 % | 424 |
| **Total** | | **57.5 %** | **11,601** |

The following table outlines further details of the Trust's industrial tenant composition as at March 31, 2024:

| Building Type / Tenant Use | % of Industrial Gross Rental Revenue | GLA (000's square feet) | Occupied GLA (000's square feet) | Occupancy |
|---|---|---|---|---|
| Distribution | 55.6 % | 10,778 | 10,673 | 99.0 % |
| Large Bay-Loblaw Distribution | 29.0 % | 6,093 | 6,093 | 100.0 % |
| Warehouse(i) | 15.4 % | 2,670 | 2,530 | 94.8 % |
| **Total** | **100.0 %** | **19,541** | **19,296** | **98.8 %** |

(i) Warehouse includes certain Small Bay assets.

The lease maturity profile for Choice Properties' industrial portfolio as at March 31, 2024 was as follows:

| (in thousands of square feet except where otherwise indicated) | Third-party GLA | Loblaw GLA | Total GLA | Expiring GLA as a % of total GLA | Expiring annualized base rent ($ 000's) | Average expiring base rent (per square foot) |
|---|---|---|---|---|---|---|
| Month-to-month | 59 | — | 59 | 0.3 % | $ 559 | $ 9.41 |
| Remainder of 2024(i) | 869 | — | 869 | 4.4 % | 6,993 | 8.05 |
| 2025 | 2,097 | 189 | 2,286 | 11.7 % | 17,217 | 7.53 |
| 2026 | 1,429 | — | 1,429 | 7.3 % | 13,368 | 9.35 |
| 2027 | 1,206 | — | 1,206 | 6.2 % | 11,372 | 9.43 |
| 2028 | 1,726 | 772 | 2,498 | 12.8 % | 28,386 | 11.36 |
| 2029 | 920 | 663 | 1,583 | 8.1 % | 18,256 | 11.53 |
| 2030 & Thereafter | 4,637 | 3,538 | 8,175 | 41.9 % | 92,787 | 11.35 |
| Occupied GLA(ii) | 12,943 | 5,162 | 18,105 | 92.7 % | 188,938 | 10.44 |
| Ground lease GLA(iii) | 260 | 931 | 1,191 | 6.1 % | 13,991 | 11.75 |
| Vacant GLA | 245 | — | 245 | 1.2 % | — | — |
| **Total** | **13,448** | **6,093** | **19,541** | **100.0 %** | **$ 202,929** | **$ 10.52** |

(i) The 869,000 sq. ft. of GLA maturing in 2024 is located in the following markets : 54.1% Greater Toronto Area, 24.8% Calgary, 12.6% Edmonton, and 8.5% other markets.

(ii) Average in-place base rent per square foot for the major markets (excluding ground leases): $13.91 Vancouver, $9.88 Greater Montreal Area, $8.68 Edmonton, $8.88 Greater Toronto Area, $8.14 Calgary, and $8.13 Other markets.

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

As at March 31, 2024 the average in place base rent for the Trust's industrial portfolio, excluding ground leases, was $9.16 per square foot.

## 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 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 income on a proportionate share basis(1) to net income as determined in accordance with GAAP for the three months ended March 31, 2024:

| ($ 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 | $ 277,190 | $ 63,520 | $ 17,274 | $ 357,984 | $ (22,836) | $ 335,148 |
| Property operating costs | (82,333) | (16,984) | (7,034) | (106,351) | 8,246 | (98,105) |
| **Net Operating Income, Cash Basis(1)** | **194,857** | **46,536** | **10,240** | 251,633 | (14,590) | 237,043 |
| Straight-line rental revenue | (1,844) | 2,327 | 392 | 875 | (614) | 261 |
| Lease surrender revenue | 2,549 | — | — | 2,549 | — | 2,549 |
| **Net Operating Income, Accounting Basis** | **195,562** | **48,863** | **10,632** | 255,057 | (15,204) | 239,853 |
| Gross sales | | | | 11,268 | — | 11,268 |
| Cost of sales | | | | (9,234) | — | (9,234) |
| **Residential Inventory Income** | | | | 2,034 | — | 2,034 |
| **Other Income and Expenses** | | | | | | |
| Interest income | | | | 7,831 | 1,928 | 9,759 |
| Investment income | | | | 5,315 | — | 5,315 |
| Fee income | | | | 701 | — | 701 |
| Net interest expense and other financing charges | | | | (148,647) | 6,363 | (142,284) |
| General and administrative expenses | | | | (14,638) | — | (14,638) |
| Share of income from equity accounted joint ventures | | | | — | 4,718 | 4,718 |
| Amortization of intangible assets | | | | (250) | — | (250) |
| Adjustment to fair value of unit-based compensation | | | | 781 | — | 781 |
| Adjustment to fair value of Exchangeable Units | | | | 67,284 | — | 67,284 |
| Adjustment to fair value of investment properties | | | | (3,560) | 2,195 | (1,365) |
| Adjustment to fair value of investment in real estate securities | | | | (29,641) | — | (29,641) |
| **Income before Income Taxes** | | | | 142,267 | — | 142,267 |
| Income tax recovery | | | | 12 | — | 12 |
| **Net Income** | | | | $ 142,279 | $ — | $ 142,279 |

(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 under GAAP.

## 7.2 Net Operating Income Summary[1]

NOI[1] is a supplemental measure of operating performance widely used in the real estate industry. There is no industry-defined definition of NOI[1]. Refer to Section 14.2, "Net Operating Income", of this MD&A for a definition of NOI[1] and a reconciliation to net income 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, 2024, 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 are presented separately from the Same-Asset financial results.

Choice Properties' NOI[1] is calculated on a proportionate share basis[1] to incorporate the Trust's investment in equity accounted joint ventures as if they were owned directly for the three months ended March 31, 2024 and March 31, 2023 as summarized below.

**Summary - Accounting Basis**

| For the periods ended March 31<br>($ thousands) | Three Months<br>2024 | 2023 | Change $ | % Change |
|---|---|---|---|---|
| Rental revenue | $ 339,757 | $ 329,487 | $ 10,270 | 3.1 % |
| Straight-line rental revenue | (738) | (785) | 47 | (6.0)% |
| Property operating costs excluding bad debt expense | (101,198) | (96,972) | (4,226) | 4.4 % |
| Same-Asset NOI, Accounting Basis, excluding bad debt expense | 237,821 | 231,730 | 6,091 | 2.6 % |
| Bad debt expense | (64) | 389 | (453) | (116.5)% |
| Same-Asset NOI, Accounting Basis | 237,757 | 232,119 | 5,638 | 2.4 % |
| Transactions NOI including straight-line rental revenue, excluding bad debt expense | 14,829 | 11,919 | 2,910 | |
| Bad debt expense | (78) | (308) | 230 | |
| Transactions NOI, Accounting Basis | 14,751 | 11,611 | 3,140 | |
| Lease surrender revenue | 2,549 | 11 | 2,538 | |
| **Total NOI, Accounting Basis** | $ 255,057 | $ 243,741 | $ 11,316 | |

## Summary - Cash Basis

| For the periods ended March 31 ($ thousands) | Three Months 2024 | 2023 | Change $ | % Change |
|---|---|---|---|---|
| Rental revenue | $ 339,757 | $ 329,487 | $ 10,270 | 3.1 % |
| Property operating costs excluding bad debt expense | (101,198) | (96,972) | (4,226) | 4.4 % |
| Same-Asset NOI, Cash Basis, excluding bad debt expense | 238,559 | 232,515 | 6,044 | 2.6 % |
| Bad debt expense | (64) | 389 | (453) | (116.5)% |
| Same-Asset NOI, Cash Basis | 238,495 | 232,904 | 5,591 | 2.4 % |
| Transactions NOI excluding bad debt expense | 13,216 | 11,456 | 1,760 | |
| Bad debt expense | (78) | (308) | 230 | |
| Transactions NOI, Cash Basis | 13,138 | 11,148 | 1,990 | |
| **Total NOI, Cash Basis** | $ 251,633 | $ 244,052 | $ 7,581 | |

### Three Months

Same-Asset NOI, cash basis increased 2.4% for the three month period primarily due to increased revenue from higher rental rates on renewals, new leasing, contractual rent steps, and higher recoveries in the retail and industrial portfolios.

Transactions NOI increased for the three months 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 2024 | 2023 | Change $ | % Change |
|---|---|---|---|---|
| Rental revenue | $ 267,133 | $ 259,544 | $ 7,589 | 2.9 % |
| Property operating costs excluding bad debt expense | (79,574) | (76,650) | (2,924) | 3.8 % |
| Same-Asset NOI, Cash Basis, excluding bad debt expense | 187,559 | 182,894 | 4,665 | 2.6 % |
| Bad debt expense | 191 | 275 | (84) | (30.5)% |
| Same-Asset NOI, Cash Basis | 187,750 | 183,169 | 4,581 | 2.5 % |
| Transactions NOI excluding bad debt expense | 7,199 | 8,189 | (990) | |
| Bad debt expense | (92) | (278) | 186 | |
| Transactions NOI, Cash Basis | 7,107 | 7,911 | (804) | |
| **Total NOI, Cash Basis** | $ 194,857 | $ 191,080 | $ 3,777 | |

### Three Months

Same-Asset NOI, cash basis for the retail segment increased 2.5% for the three month period primarily due to increased revenue from higher rental rates on renewals, new leasing, contractual rent steps, and higher capital recoveries.

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<br>($ thousands) | Three Months<br>2024 | 2023 | Change $ | % Change |
|---|---|---|---|---|
| Rental revenue | $ 56,417 | $ 54,058 | $ 2,359 | 4.4 % |
| Property operating costs excluding bad debt expense | (15,203) | (14,271) | (932) | 6.5 % |
| Same-Asset NOI, Cash Basis, excluding bad debt expense | 41,214 | 39,787 | 1,427 | 3.6 % |
| Bad debt expense | (155) | 136 | (291) | (214.0)% |
| Same-Asset NOI, Cash Basis | 41,059 | 39,923 | 1,136 | 2.8 % |
| Transactions NOI excluding bad debt expense | 5,481 | 624 | 4,857 | |
| Bad debt expense | (4) | 1 | (5) | |
| Transactions NOI, Cash Basis | 5,477 | 625 | 4,852 | |
| **Total NOI, Cash Basis** | $ 46,536 | $ 40,548 | $ 5,988 | |

#### Three Months

Same-Asset NOI, cash basis for the industrial segment increased 2.8% for the three month period primarily due to increased revenue from higher rental rates for renewals, new leasing at market rates, contractual rent steps, and higher capital recoveries.

Certain industrial properties with recent turnover temporarily experienced lower cash NOI reflecting fixturing and free rent periods prior to rent commencement. In addition, the industrial portfolio experienced lower retention in the quarter with new tenancies anticipated later this year[2].

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<br>($ thousands) | Three Months<br>2024 | 2023 | Change $ | % Change |
|---|---|---|---|---|
| Rental revenue | $ 16,207 | $ 15,885 | $ 322 | 2.0 % |
| Property operating costs excluding bad debt expense | (6,421) | (6,051) | (370) | 6.1 % |
| Same-Asset NOI, Cash Basis, excluding bad debt expense | 9,786 | 9,834 | (48) | (0.5)% |
| Bad debt expense | (100) | (22) | (78) | 354.5 % |
| Same-Asset NOI, Cash Basis | 9,686 | 9,812 | (126) | (1.3)% |
| Transactions NOI excluding bad debt expense | 536 | 2,643 | (2,107) | |
| Bad debt expense | 18 | (31) | 49 | |
| Transactions NOI, Cash Basis | 554 | 2,612 | (2,058) | |
| **Total NOI, Cash Basis** | $ 10,240 | $ 12,424 | $ (2,184) | |

#### Three Months

Same-Asset NOI, cash basis for the mixed-use & residential segment decreased 1.3% for the three month period primarily due to the impact of favourable final billing adjustments recognized in the prior year period, partially offset by increased revenue from improved average occupancy and increased rental rates at residential properties.

Transactions NOI for the mixed-use and residential segment decreased for the three month period primarily due to the foregone income from dispositions of three office properties and one data centre in the prior year, partially offset by residential development transfers.

### 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)] for the three months ended March 31, 2024 and March 31, 2023 are summarized below:

| For the periods ended March 31<br>($ thousands) | Three Months<br>2024 | <br>2023 | <br>Change |
|---|---|---|---|
| Funds from Operations[(1)] | $ 187,189 | $ 176,891 | $ 10,298 |
| FFO[(1)] per unit basic | $ 0.259 | $ 0.244 | $ 0.015 |
| FFO[(1)] per unit diluted | $ 0.259 | $ 0.244 | $ 0.015 |
| FFO[(1)] payout ratio - diluted | 72.8 % | 76.0 % | (3.2)% |
| Adjusted Funds from Operations[(1)] | $ 173,146 | $ 164,379 | $ 8,767 |
| AFFO[(1)] per unit basic | $ 0.239 | $ 0.227 | $ 0.012 |
| AFFO[(1)] per unit diluted | $ 0.239 | $ 0.227 | $ 0.012 |
| AFFO[(1)] payout ratio - diluted | 78.7 % | 81.8 % | (3.1)% |
| Distribution declared per unit | $ 0.188 | $ 0.186 | $ 0.002 |
| Weighted average number of units outstanding - basic[(i)] | 723,643,248 | 723,633,321 | 9,927 |
| Weighted average number of units outstanding - diluted[(i)] | 723,666,036 | 723,665,160 | 876 |
| Number of units outstanding, end of period[(i)] | 723,646,497 | 723,646,497 | — |

(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 14.3, "Funds from Operations", for a reconciliation of FFO[(1)] to net income determined in accordance with GAAP.

**Three Months**

FFO[(1)] increased for the three month period primarily due to an increase in net operating income, income from the sale of residential inventory, and an increase in interest income. The increase was partially offset by an increase in interest expense.

**Adjusted Funds from Operations ("AFFO")[(1)]**

Choice Properties calculates AFFO[(1)] 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. Refer to Section 14.4, "Adjusted Funds from Operations", for a reconciliation of AFFO[(1)] to net income determined in accordance with GAAP.

**Three Months**

AFFO[(1)] increased for the three month period primarily due to the increase in FFO as noted above.

### Property Capital and Leasing Expenditures

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

| For the periods ended March 31<br>($ thousands) | Three Months<br>2024 | <br>2023 | <br>Change $ |
|---|---|---|---|
| Property capital | $ 4,453 | $ 1,756 | $ 2,697 |
| Direct leasing costs | 1,687 | 1,807 | (120) |
| Tenant improvements | 4,540 | 7,017 | (2,477) |
| **Total property capital and leasing expenditures, proportionate share basis[1]** | $ 10,680 | $ 10,580 | $ 100 |

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, 2024, Choice Properties incurred $4,453 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, 2023 - $1,756). 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.

## 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 2024 | Fourth Quarter 2023 | Third Quarter 2023 | Second Quarter 2023 | First Quarter 2023 | Fourth Quarter 2022 | Third Quarter 2022 | Second Quarter 2022 |
|---|---|---|---|---|---|---|---|---|
| Number of income producing properties | **705** | 705 | 706 | 704 | 705 | 704 | 703 | 703 |
| Gross leasable area (in millions of square feet)(i) | **66.1** | 66.1 | 65.2 | 64.5 | 64.9 | 64.5 | 64.7 | 64.8 |
| Occupancy | **97.9%** | 98.0% | 97.7% | 97.4% | 97.7% | 97.9% | 97.7% | 97.7% |
| Rental revenue (GAAP) | **$ 337,958** | $ 329,109 | $ 325,077 | $ 330,327 | $ 324,657 | $ 314,382 | $ 309,082 | $ 313,081 |
| Net income (loss) | **$ 142,279** | $ (445,684) | $ 435,903 | $ 535,668 | $ 270,804 | $ (579,000) | $ 948,077 | $ (11,810) |
| Net income (loss) per unit | **$ 0.197** | $ (0.616) | $ 0.602 | $ 0.740 | $ 0.374 | $ (0.795) | $ 1.310 | $ (0.016) |
| Net income (loss) per unit - diluted | **$ 0.197** | $ (0.616) | $ 0.602 | $ 0.740 | $ 0.374 | $ (0.795) | $ 1.310 | $ (0.016) |
| Net operating income, cash basis(1) | **$ 251,633** | $ 247,037 | $ 244,886 | $ 243,530 | $ 244,052 | $ 238,819 | $ 234,540 | $ 231,299 |
| FFO(1) | **$ 187,189** | $ 184,640 | $ 181,013 | $ 183,590 | $ 176,891 | $ 174,183 | $ 173,119 | $ 175,290 |
| FFO(1) per unit - diluted | **$ 0.259** | $ 0.255 | $ 0.250 | $ 0.254 | $ 0.244 | $ 0.241 | $ 0.239 | $ 0.242 |
| AFFO(1) | **$ 173,146** | $ 127,095 | $ 136,558 | $ 170,400 | $ 164,379 | $ 126,935 | $ 130,360 | $ 163,708 |
| AFFO(1) per unit - diluted | **$ 0.239** | $ 0.176 | $ 0.189 | $ 0.235 | $ 0.227 | $ 0.175 | $ 0.180 | $ 0.226 |
| Distribution declared per unit | **$ 0.188** | $ 0.188 | $ 0.188 | $ 0.188 | $ 0.186 | $ 0.185 | $ 0.185 | $ 0.185 |
| Market price per unit - closing | **$ 13.78** | $ 13.95 | $ 12.68 | $ 13.57 | $ 14.52 | $ 14.76 | $ 12.41 | $ 14.05 |
| Number of units outstanding, period end | **723,646,497** | 723,646,497 | 723,646,497 | 723,646,497 | 723,646,497 | 723,557,674 | 723,544,974 | 723,544,974 |
| Adjusted debt to total assets(ii) | **40.3%** | 40.4% | 40.6% | 40.5% | 41.0% | 40.6% | 41.0% | 41.9% |
| Debt service coverage(ii) | **3.1x** | 3.0x | 3.0x | 3.1x | 3.1x | 3.1x | 3.1x | 3.3x |

(i) Includes GLA that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases.
(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 income (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' parent corporation is GWL, which, as at March 31, 2024, held either directly or indirectly, a 61.7% effective interest in the Trust through ownership of 50,661,415 units and all of the Exchangeable Units, which are economically equivalent to and exchangeable to Units. GWL is also the parent company of Loblaw, with ownership of 52.6% of Loblaw's outstanding common shares as at March 31, 2024. Choice Properties' ultimate parent is Wittington Investments, Limited, the controlling shareholder of GWL.

In the normal course of operations, Choice Properties enters into various transactions with related parties. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

Loblaw represents approximately 56.3% of Choice Properties' rental revenue on a proportionate share basis[(1)] and 57.9% of its commercial GLA as at March 31, 2024 (December 31, 2023 - 57.1% and 57.7%, respectively).

**Acquisitions**
During the three months ended March 31, 2024, Choice Properties acquired from Loblaw one retail property in Toronto, ON for a purchase price of $38,300, excluding transaction costs.

**Lease Surrender Revenue**
During the three months ended March 31, 2024, Choice Properties recognized $2,511 of lease surrender revenue from Loblaw (March 31, 2023 - $nil).

**Services Agreement**
During the three months ended March 31, 2024, GWL provided Choice Properties with corporate, administrative and other support services for an annualized cost of $4,988 (2023 - $4,970).

**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 certain properties with third-party tenancies and development consulting services on a fee for service basis.

**Site Intensification Payments**
Choice Properties compensated Loblaw with intensification payments of $nil in connection with completed gross leasable area for which tenants took possession during the three months ended March 31, 2024 (March 31, 2023 - $367).

**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, 2024, distributions declared on the Exchangeable Units totalled $74,540 (March 31, 2023 - $73,551).

As at March 31, 2024, Choice Properties had distributions on Exchangeable Units payable to GWL of $99,276 (December 31, 2023 - $320,587).

**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, 2024, GWL elected to receive distributions from Choice Properties Limited Partnership in the form of loans. As such, non-interest bearing short-term notes totalling $74,210 were issued during the three months ended March 31, 2024 to GWL. Non-interest bearing short-term notes totalling $295,851 with respect to the loans received in the 2023 fiscal year were settled against distributions payable by the Trust to GWL in January 2024.

**Trust Unit Distributions**
During the three months ended March 31, 2024, Choice Properties declared cash distributions of $9,541 on the Units held by GWL (March 31, 2023 - $9,415). As at March 31, 2024, $3,209 of Trust Unit distributions declared were payable to GWL (December 31, 2023 - $3,166). There were no non-cash distributions settled through the issuance of additional Trust Units during the three months ended March 31, 2024 (March 31, 2023 - $nil).

During the three months ended March 31, 2024, Choice Properties declared cash distributions of $3,108 on the Units held by Wittington (March 31, 2023 - $3,066). As at March 31, 2024, $1,045 of Trust Unit distributions declared were payable to Wittington (December 31, 2023 - $1,031). There were no non-cash distributions settled through the issuance of additional Trust Units during the three months ended March 31, 2024 (March 31, 2023 - $nil).

## 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.

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 2024 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, 2023 and MD&A in the 2023 Annual Report, which are hereby incorporated by reference. The 2023 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") practices are fully integrated into the Trust's day-to-day business activities, and are aligned with the Trust's purpose of creating enduring value by building places where people thrive. ESG is embedded in the Trust's corporate strategy, which prioritizes maintaining a market-leading portfolio, sustaining operational excellence and delivering on its development pipeline. Some of the ways in which ESG creates enduring value for stakeholders include:

- Protecting the planet for future generations while reducing resource consumption and costs;
- Attracting, retaining and empowering a diverse, engaged workforce to bring unique perspectives and experiences to strategic decisions;
- Preserving asset value and the reputation of the Trust by managing the risks of changing regulations and stakeholder expectations;
- Generating stable returns and long-term NAV appreciation by attracting like-minded tenants;
- Strengthening relationships with stakeholders by working collaboratively to achieve positive social, economic and environmental outcomes; and
- Enhancing long-term investment returns by allocating capital to sustainable opportunities and attracting a broader spectrum of investors.

The Board oversees the Trust's ESG program, for which the Trust's President and Chief Executive Officer is the executive sponsor.

The Trust aspires to develop healthy, resilient communities through its dedication to social, economic and environmental sustainability. To achieve this aspiration, the Trust has refined its focus to two areas where it can have significant impact on environmental and social sustainability: Fighting Climate Change and Strengthening Communities to Prosper.

Information regarding Choice Properties' ESG practices is set out in the Trust's 2023 Environmental, Social, and Governance Report. Detailed information regarding Choice's decarbonization strategy is set out in Choice's Pathway to Net Zero report. Both documents are available on the Trust's website at www.choicereit.ca and are not incorporated by reference.

Information regarding Choice Properties' corporate governance practices is set out in the Trust's Management Proxy Circular for the Annual Meeting of Unitholders scheduled to be held on April 25, 2024, available on the Trust's website at www.choicereit.ca.

## 13. OUTLOOK[2]

We are focused on capital preservation, delivering stable and growing cash flows and net asset value appreciation, all with a long-term focus. 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 continue to experience positive leasing momentum across our portfolio and are well positioned to complete our 2024 lease renewals. We also continue to advance our development program, with a focus on commercial developments in the near term, 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 position us well for future success. In 2024, Choice Properties will continue to focus on its core business of essential retail and industrial, our growing residential platform and our robust development pipeline, and is targeting:

- Stable occupancy across the portfolio, resulting in 2.5%-3.0% year-over-year growth in Same-Asset NOI, cash basis;
- Annual FFO per unit diluted in a range of $1.02 to $1.03, reflecting 2.0%-3.0% year-over-year growth; and
- Strong leverage metrics, targeting Adjusted Debt to EBITDAFV slightly 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 flow 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.

| Non-GAAP Measure | Description | Reconciliation |
|---|---|---|
| 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.<br>• 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. | Section 2, "Balance Sheet"<br><br>Section 7.1, "Net Income and Segment NOI Reconciliation" |
| Net Operating Income ("NOI"), Accounting Basis | • 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 how it is financed or the costs of operating the entity in which it is held.<br>• 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. | Section 7.1, "Net Income and Segment NOI Reconciliation" |
| NOI, Cash Basis | • 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 how it is financed or the costs of operating the entity in which it is held.<br>• 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. | Section 7.1, "Net Income and Segment NOI Reconciliation"<br><br>Section 14.2, "Net Operating Income" |
| Same-Asset NOI, Cash Basis<br><br>and<br><br>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, 2023, inclusive.<br>• 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.<br>• 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 the Transactions and development activities. | Section 7.2, "Net Operating Income Summary" |

| | | |
|---|---|---|
| Funds from Operations ("FFO") | • 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.<br>• Management considers FFO to be a useful measure of operating performance as it adjusts for items included in net income (or net 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.<br>• 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. | Section 14.3, "Funds from Operations"<br><br>Section 14.9, "Selected Information for Comparative Purposes" |
| Adjusted Funds from Operations ("AFFO") | • Calculated in accordance with REALpac's *Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO) for IFRS* issued in January 2022.<br>• 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 rent. AFFO is impacted by the seasonality inherent in the timing of executing property capital projects.<br>• In calculating AFFO, FFO is adjusted by excluding straight-line rent, as well as costs incurred 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.<br>• Capital expenditures which are excluded and 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.<br>• 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 rent, 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. | Section 14.4, "Adjusted Funds from Operations"<br><br>Section 14.9, "Selected Information for Comparative Purposes" |
| Adjusted Cash Flow from Operations ("ACFO") | • Calculated in accordance with REALpac's *Adjusted Cashflow from Operations (ACFO) for IFRS* issued in January 2023.<br>• 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.<br>• 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.<br>• 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. | Section 14.5 , "Adjusted Cash Flow from Operations" |
| FFO, AFFO and ACFO Payout Ratios | • FFO, AFFO and ACFO payout ratios are supplementary measures used by Management to assess the sustainability of the Trust's distribution payments.<br>• The ratios are calculated using cash distributions declared divided by FFO, AFFO or ACFO, as applicable. | Section 7.3, "Other Key Performance Indicators" |

| | | |
|---|---|---|
| Earnings before Interest, Taxes, Depreciation, Amortization and Fair Value (“EBITDAFV”) | • Defined as net income attributable to Unitholders, reversing, where applicable, income taxes, interest expense, amortization expense, depreciation expense, adjustments to fair value and other adjustments as allowed in the Trust Indentures, as supplemented.<br>• Management believes EBITDAFV is useful in assessing the Trust’s ability to service its debt, finance capital expenditures and provide distributions to its Unitholders. | Section 14.8, “Earnings before Interest, Taxes, Depreciation, Amortization and Fair Value” |
| Cash Retained after Distributions | • Represents the portion of ACFO retained within Choice Properties which can be used to invest in new acquisitions, development properties and capital activity. | Section 14.6, “Distribution Excess / Shortfall Analysis” |
| Total Adjusted Debt | • 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(1), 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.<br>• Total Adjusted Debt is also 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. | Section 4.3, “Components of Total Adjusted Debt” |
| Adjusted Debt to Total Assets | • 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.<br>• Management believes this ratio is useful in evaluating the Trust’s flexibility to incur additional financial leverage. | Section 4.4, “Financial Condition”<br><br>Section 14.9, “Selected Information for Comparative Purposes” |
| Debt Service Coverage | • 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.<br>• This ratio is useful in determining the ability of Choice Properties to service the interest requirements of its outstanding debt. | Section 4.4, “Financial Condition”<br><br>Section 14.9, “Selected Information for Comparative Purposes” |
| Adjusted Debt to EBITDAFV<br><br>and<br><br>Adjusted Debt to EBITDAFV, net of cash | • Calculated as Total Adjusted Debt divided by EBITDAFV.<br>• 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.<br>• Management also presents this ratio with Total Adjusted Debt calculated as net of cash and cash equivalents at the measurement date. | Section 4.4, “Financial Condition” |
| Interest Coverage | • Calculated as EBITDAFV divided by interest expense on the Total Adjusted Debt incurred by Choice Properties for the period.<br>• This ratio is useful in determining Choice Properties’ ability to service the interest requirements of its outstanding debt. | Section 4.4, “Financial Condition” |
| Liquidity | • Liquidity is a non-GAAP measure calculated based on the sum of total cash and cash equivalents, and undrawn revolving unsecured operating line of credit. | Section 4, “Liquidity and Capital Resources”<br><br>Section 4.2, “Liquidity and Capital Structure” |

### 14.1 Investment Properties Reconciliation

To expand the portfolio and participate in development opportunities, Choice Properties owns varying interests in real estate entities which hold investment properties. Under GAAP, many of these interests are recorded as equity accounted joint ventures and, as such, the Trust's portion of the investment properties of these entities is presented on the balance sheet as a summarized value, not as part of the total investment properties. Similarly, Choice Properties owns real estate assets, whereby the acquisition involved a sale-leaseback arrangement with the seller. As a result of the arrangement the Trust did not meet the GAAP definition of control, and as such, these assets are presented on the balance sheet as financial real estate assets and not as part of investment properties. While the reconciliation for Choice Properties' balance sheet on a GAAP basis to a proportionate share basis(1) is detailed in Section 2, "Balance Sheet", the following continuity schedule presents Choice Properties' investment properties inclusive of its proportionate share ownership in equity accounted joint ventures and financial real estate assets for the three months ended March 31, 2024:

| | Income Producing Properties | | | Properties Under Development | | | **Total Investment Properties** | |
|---|---|---|---|---|---|---|---|---|
| As at or for the three months ended March 31 ($ thousands except where otherwise indicated) | GAAP Basis | Adjustment to Proportionate Share Basis(1)(i) | Proportionate Share Basis(1) | GAAP Basis | Adjustment to Proportionate Share Basis(1)(i) | Proportionate Share Basis(1) | **GAAP Basis** | **Proportionate Share Basis(1)** |
| Balance, beginning of period | $ 14,635,000 | $ 1,122,000 | $ 15,757,000 | $ 288,000 | $ 600,000 | $ 888,000 | **$ 14,923,000** | **$ 16,645,000** |
| Acquisitions of investment properties(ii) | 38,433 | — | 38,433 | — | — | — | **38,433** | **38,433** |
| Capital expenditures | | | | | | | | |
| Development capital | — | — | — | 22,353 | 8,164 | 30,517 | **22,353** | **30,517** |
| Building improvements | 5,507 | 270 | 5,777 | — | — | — | **5,507** | **5,777** |
| Capitalized interest | — | — | — | 544 | 1,059 | 1,603 | **544** | **1,603** |
| Property capital | 4,394 | 59 | 4,453 | — | — | — | **4,394** | **4,453** |
| Direct leasing costs | 1,172 | 515 | 1,687 | — | — | — | **1,172** | **1,687** |
| Tenant improvement allowances | 3,026 | 1,514 | 4,540 | — | — | — | **3,026** | **4,540** |
| Amortization of straight-line rent | 261 | 614 | 875 | — | — | — | **261** | **875** |
| Transfers from properties under development | 74,585 | — | 74,585 | (74,585) | — | (74,585) | **—** | **—** |
| Dispositions | (23,325) | — | (23,325) | — | — | — | **(23,325)** | **(23,325)** |
| Adjustment to fair value of investment properties | (2,053) | (4,972) | (7,025) | 688 | 2,777 | 3,465 | **(1,365)** | **(3,560)** |
| **Balance, as at March 31, 2024** | **$ 14,737,000** | **$ 1,120,000** | **$ 15,857,000** | **$ 237,000** | **$ 612,000** | **$ 849,000** | **$ 14,974,000** | **$ 16,706,000** |

(i) Adjustment to Proportionate Share Basis(1) reflects the Trust's investment properties inclusive of its proportionate share ownership in equity accounted joint ventures and financial real estate assets.
(ii) Includes acquisition costs.

## 14.2 Net Operating Income

The following table reconciles net income, 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<br>($ thousands) | Three Months | | |
|---|---|---|---|
| | **2024** | 2023 | Change $ |
| **Net Income** | **$ 142,279** | $ 270,804 | $ (128,525) |
| Residential inventory income | **(2,034)** | — | (2,034) |
| Interest income | **(9,759)** | (8,975) | (784) |
| Investment income | **(5,315)** | (5,315) | — |
| Fee income | **(701)** | (1,653) | 952 |
| Net interest expense and other financing charges | **142,284** | 139,357 | 2,927 |
| General and administrative expenses | **14,638** | 14,562 | 76 |
| Share of income from equity accounted joint ventures | **(4,718)** | (22,824) | 18,106 |
| Amortization of intangible assets | **250** | 250 | — |
| Transaction costs and other related expenses | **—** | 25 | (25) |
| Adjustment to fair value of unit-based compensation | **(781)** | (732) | (49) |
| Adjustment to fair value of Exchangeable Units | **(67,284)** | (94,989) | 27,705 |
| Adjustment to fair value of investment properties | **1,365** | (75,767) | 77,132 |
| Adjustment to fair value of investment in real estate securities | **29,641** | 14,643 | 14,998 |
| Income tax (recovery) expense | **(12)** | 1 | (13) |
| **Net Operating Income, Accounting Basis - GAAP** | **239,853** | 229,387 | 10,466 |
| Straight-line rental revenue | **(261)** | 979 | (1,240) |
| Lease surrender revenue | **(2,549)** | (11) | (2,538) |
| **Net Operating Income, Cash Basis - GAAP** | **237,043** | 230,355 | 6,688 |
| Adjustments for equity accounted joint ventures and financial real estate assets | **14,590** | 13,697 | 893 |
| **Net Operating Income, Cash Basis - Proportionate Share[1]** | **$ 251,633** | $ 244,052 | $ 7,581 |

### 14.3 Funds from Operations

The following table reconciles net income, 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<br>($ thousands) | Three Months<br>2024 | <br>2023 | <br>Change $ |
|---|---|---|---|
| **Net Income** | **$ 142,279** | $ 270,804 | $ (128,525) |
| Add (deduct) impact of the following: | | | |
| Amortization of intangible assets | **250** | 250 | — |
| Transaction costs and other related expenses | **—** | 25 | (25) |
| Adjustment to fair value of unit-based compensation | **(781)** | (732) | (49) |
| Adjustment to fair value of Exchangeable Units | **(67,284)** | (94,989) | 27,705 |
| Adjustment to fair value of investment properties | **1,365** | (75,767) | 77,132 |
| Adjustment to fair value of investment properties to proportionate share(1) | **2,195** | (16,064) | 18,259 |
| Adjustment to fair value of investment in real estate securities | **29,641** | 14,643 | 14,998 |
| Interest otherwise capitalized for development in equity accounted joint ventures | **2,508** | 2,915 | (407) |
| Exchangeable Units distributions | **74,540** | 73,551 | 989 |
| Internal expenses for leasing | **2,488** | 2,254 | 234 |
| Income tax (recovery) expense | **(12)** | 1 | (13) |
| **Funds from Operations** | **$ 187,189** | $ 176,891 | $ 10,298 |
| FFO per unit - diluted | **$ 0.259** | $ 0.244 | $ 0.015 |
| FFO payout ratio - diluted(i) | **72.8 %** | 76.0 % | (3.2)% |
| Distribution declared per unit | **0.188** | 0.186 | 0.002 |
| Weighted average number of units outstanding - diluted(ii) | **723,666,036** | 723,665,160 | 876 |

(i) FFO payout ratio is calculated as cash distributions declared divided by FFO.
(ii) Includes Trust Units and Exchangeable Units.

FFO as calculated on a proportionate share basis[1]:

| For the periods ended March 31<br>($ thousands) | Three Months 2024 | 2023 | Change $ |
|---|---|---|---|
| **Net Operating Income, Cash Basis** | $ 251,633 | $ 244,052 | $ 7,581 |
| Straight-line rental revenue | 875 | (322) | 1,197 |
| Lease surrender revenue | 2,549 | 11 | 2,538 |
| **Net Operating Income, Accounting Basis** | $ 255,057 | $ 243,741 | $ 11,316 |
| Residential inventory income | 2,034 | — | 2,034 |
| Interest income | 7,831 | 6,261 | 1,570 |
| Investment income | 5,315 | 5,315 | — |
| Fee income | 701 | 1,653 | (952) |
| Net interest expense and other financing charges | (148,647) | (144,237) | (4,410) |
| Distributions on Exchangeable Units | 74,540 | 73,551 | 989 |
| Interest otherwise capitalized for development in equity accounted joint ventures | 2,508 | 2,915 | (407) |
| General and administrative expenses | (14,638) | (14,562) | (76) |
| Internal expenses for leasing | 2,488 | 2,254 | 234 |
| **Funds from Operations** | $ 187,189 | $ 176,891 | $ 10,298 |
| FFO per unit - diluted | $ 0.259 | $ 0.244 | $ 0.015 |
| FFO payout ratio - diluted[i] | 72.8 % | 76.0 % | (3.2)% |
| Distribution declared per unit | $ 0.188 | $ 0.186 | $ 0.002 |
| Weighted average number of units outstanding - diluted[ii] | 723,666,036 | 723,665,160 | 876 |

(i) FFO payout ratio is calculated as cash distributions declared divided by FFO.
(ii) Includes Trust Units and Exchangeable Units.

### 14.4 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) | Three Months 2024 | 2023 | Change $ |
|---|---|---|---|
| **Funds from Operations** | **$ 187,189** | $ 176,891 | $ 10,298 |
| Add (deduct) impact of the following: | | | |
| Internal expenses for leasing | **(2,488)** | (2,254) | (234) |
| Straight-line rental revenue | **(261)** | 979 | (1,240) |
| Straight-line rental revenue adjustment to proportionate share[1] | **(614)** | (657) | 43 |
| Property capital | **(4,394)** | (1,748) | (2,646) |
| Direct leasing costs | **(1,172)** | (1,791) | 619 |
| Tenant improvements | **(3,026)** | (6,443) | 3,417 |
| Operating capital expenditures adjustment to proportionate share[1] | **(2,088)** | (598) | (1,490) |
| **Adjusted Funds from Operations** | **$ 173,146** | $ 164,379 | $ 8,767 |
| AFFO per unit - diluted | **$ 0.239** | $ 0.227 | $ 0.012 |
| AFFO payout ratio - diluted[i] | **78.7 %** | 81.8 % | (3.1)% |
| Distribution declared per unit | **$ 0.188** | $ 0.186 | $ 0.002 |
| Weighted average number of units outstanding - diluted[ii] | **723,666,036** | 723,665,160 | 876 |

(i) AFFO payout ratio is calculated as cash distributions declared divided by AFFO.
(ii) Includes Trust Units and Exchangeable Units.

## 14.5 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 4.7, "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<br>($ thousands) | Three Months<br>2024 | <br>2023 | <br>Change $ |
|---|---|---|---|
| **Cash Flows from Operating Activities** | **$ 141,592** | $ 133,027 | $ 8,565 |
| Add (deduct) impact of the following: | | | |
| Net interest expense and other financing charges in excess of interest paid[i] | **(58,396)** | (67,227) | 8,831 |
| Distributions on Exchangeable Units included in net interest expense and other financing charges | **74,540** | 73,551 | 989 |
| Interest and other income in excess of interest received[i] | **1,307** | 2,095 | (788) |
| Interest otherwise capitalized for development in equity accounted joint ventures | **2,508** | 2,915 | (407) |
| Portion of internal expenses for leasing relating to development activity | **1,244** | 1,127 | 117 |
| Adjustment for property capital expenditures on a proportionate share basis[1] | **(4,453)** | (1,756) | (2,697) |
| Adjustment for leasing expenditures on a proportionate share basis[1] | **(2,029)** | (590) | (1,439) |
| Transaction costs and other related expenses | **—** | 25 | (25) |
| Adjustment for proportionate share of operating income from equity accounted joint ventures[ii] | **6,913** | 6,760 | 153 |
| Adjustment for distributions from equity accounted joint ventures | **(8,609)** | (6,221) | (2,388) |
| Adjustment for additions to residential inventory | **2,544** | 2,099 | 445 |
| Adjustment for changes in non-cash working capital items not indicative of sustainable operating cash flows[iii] | **16,744** | 21,250 | (4,506) |
| **Adjusted Cash Flow from Operations** | **$ 173,905** | $ 167,055 | $ 6,850 |
| Cash distributions declared | **136,287** | 134,478 | 1,809 |
| **Cash Retained after Distributions** | **$ 37,618** | $ 32,577 | $ 5,041 |
| **ACFO Payout Ratio[iv]** | **78.4 %** | 80.5 % | (2.1)% |

(i) The timing of the recognition of interest expense and income differs from the cash payment and collection. The ACFO calculations for the periods ended March 31, 2024 and March 31, 2023 were adjusted for this factor to make the periods more comparable[2].
(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 transactions for 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<br>($ thousands) | Three Months<br>2024 | <br>2023 | <br>Change $ |
|---|---|---|---|
| Net change in non-cash working capital[i] | **$ (16,780)** | $ (19,376) | $ 2,596 |
| Adjustment for changes in non-cash working capital items not indicative of sustainable operating cash flows | **16,744** | 21,250 | (4,506) |
| **Net non-cash working capital increase included in ACFO** | **$ (36)** | $ 1,874 | $ (1,910) |

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

## 14.6 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<br>($ thousands) | Three Months<br>2024 | 2023 | Change $ |
|---|---|---|---|
| Cash flows from operating activities | **$ 141,592** | $ 133,027 | $ 8,565 |
| Less: Cash distributions declared | **(136,287)** | (134,478) | (1,809) |
| **Excess (shortfall) of cash flows provided by operating activities over cash distributions declared** | **$ 5,305** | $ (1,451) | $ 6,756 |

| For the periods ended March 31<br>($ thousands) | Three Months<br>2024 | 2023 | Change $ |
|---|---|---|---|
| Net Income | **$ 142,279** | $ 270,804 | $ (128,525) |
| Add: Distributions on Exchangeable Units included in net interest expense and other financing charges | **74,540** | 73,551 | 989 |
| Net income attributable to Unitholders excluding distributions on Exchangeable Units | **216,819** | 344,355 | (127,536) |
| Less: Cash distributions declared | **(136,287)** | (134,478) | (1,809) |
| **Excess of net income attributable to Unitholders, less distributions on Exchangeable Units, over cash distributions declared** | **$ 80,532** | $ 209,877 | $ (129,345) |

| For the periods ended March 31<br>($ thousands) | Three Months<br>2024 | 2023 | Change $ |
|---|---|---|---|
| Adjusted Cash Flow from Operations[1] | **$ 173,905** | $ 167,055 | $ 6,850 |
| Less: Cash distributions declared | **(136,287)** | (134,478) | (1,809) |
| **Excess of ACFO after distributions** | **$ 37,618** | $ 32,577 | $ 5,041 |

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

## 14.7 Net Interest Expense and Other Financing Charges Reconciliation

The following tables reconcile net interest expense and other financing charges on a proportionate share basis(1) to net interest expense and other financing charges as determined in accordance with GAAP for the three months ended March 31, 2024 and 2023:

| | 2024 | | | 2023 | | |
|---|---|---|---|---|---|---|
| For the three months ended March 31<br>($ thousands) | GAAP Basis | Adjustment to Proportionate Share Basis(1) | Proportionate Share Basis(1) | GAAP Basis | Adjustment to Proportionate Share Basis(1) | Proportionate Share Basis(1) |
| Interest on senior unsecured debentures | $ 55,968 | $ — | $ 55,968 | $ 51,041 | $ — | $ 51,041 |
| Interest on mortgages and construction loans | 9,960 | 7,214 | 17,174 | 9,685 | 5,547 | 15,232 |
| Interest on credit facility | 1,049 | — | 1,049 | 4,628 | — | 4,628 |
| **Subtotal (for use in Debt Service Coverage(1) calculation)** | 66,977 | 7,214 | 74,191 | 65,354 | 5,547 | 70,901 |
| Distributions on Exchangeable Units(i) | 74,540 | — | 74,540 | 73,551 | — | 73,551 |
| **Subtotal (for use in EBITDAFV(1) calculation)** | 141,517 | 7,214 | 148,731 | 138,905 | 5,547 | 144,452 |
| Interest on right-of-use lease liabilities | 12 | — | 12 | 18 | — | 18 |
| Amortization of debt discounts and premiums | 161 | 54 | 215 | 28 | 71 | 99 |
| Amortization of debt placement costs | 1,138 | 154 | 1,292 | 1,445 | 33 | 1,478 |
| Capitalized interest | (544) | (1,059) | (1,603) | (1,039) | (771) | (1,810) |
| **Net interest expense and other financing charges** | $ 142,284 | $ 6,363 | $ 148,647 | $ 139,357 | $ 4,880 | $ 144,237 |

(i) Represents interest on indebtedness due to related parties.

## 14.8 Earnings Before Interest, Taxes, Depreciation, Amortization and Fair Value

The following table reconciles net Income, 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 2024 | Three Months 2023 | Three Months Change $ |
|---|---|---|---|
| **Net Income** | **$ 142,279** | $ 270,804 | $ (128,525) |
| Add (deduct) impact of the following: | | | |
| Transaction costs and other related expenses | **—** | 25 | (25) |
| Adjustment to fair value of unit-based compensation | **(781)** | (732) | (49) |
| Adjustment to fair value of Exchangeable Units | **(67,284)** | (94,989) | 27,705 |
| Adjustment to fair value of investment properties | **1,365** | (75,767) | 77,132 |
| Adjustment to fair value of investment properties to proportionate share(1) | **2,195** | (16,064) | 18,259 |
| Adjustment to fair value of investment in real estate securities | **29,641** | 14,643 | 14,998 |
| Interest expense(i) | **148,731** | 144,452 | 4,279 |
| Amortization of other assets | **311** | 348 | (37) |
| Amortization of intangible assets | **250** | 250 | — |
| Income tax (recovery) expense | **(12)** | 1 | (13) |
| **Earnings Before Interest, Taxes, Depreciation, Amortization and Fair Value (EBITDAFV)** | **$ 256,695** | $ 242,971 | $ 13,724 |

(i) As calculated in Section 14.7, “Net Interest Expense and Other Financing Charges Reconciliation”.

## 14.9 Selected Information For Comparative Purposes

The following table reconciles net income (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.

| | First Quarter 2024 | Fourth Quarter 2023 | Third Quarter 2023 | Second Quarter 2023 | First Quarter 2023 | Fourth Quarter 2022 | Third Quarter 2022 | Second Quarter 2022 | First Quarter 2022 |
|---|---|---|---|---|---|---|---|---|---|
| Net income (loss) | $ 142,279 | $ (445,684) | $ 435,903 | $ 535,668 | $ 270,804 | $ (579,000) | $ 948,077 | $ (11,810) | $ 386,986 |
| Amortization of intangible assets | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 |
| Transaction costs and other related expenses | — | — | — | 9 | 25 | 82 | 13 | (223) | 5,236 |
| Adjustment to fair value of unit-based compensation | (781) | 1,435 | (643) | (998) | (732) | 2,665 | (476) | (2,064) | 1,066 |
| Adjustment to fair value of Exchangeable Units | (67,284) | 502,649 | (352,250) | (375,997) | (94,989) | 858,857 | (577,848) | (569,933) | 118,736 |
| Adjustment to fair value of investment properties | 1,365 | 74,445 | (26,775) | (86,053) | (75,767) | (193,370) | (141,277) | 523,775 | (302,243) |
| Adjustment to fair value of investment properties to proportionate share | 2,195 | (1,164) | 346 | 132 | (16,064) | (13,877) | (202,968) | (1,456) | (110,437) |
| Adjustment to fair value of investment in real estate securities | 29,641 | (26,570) | 44,757 | 31,176 | 14,643 | 20,784 | 68,847 | 158,715 | — |
| Interest otherwise capitalized for development in equity accounted joint ventures | 2,508 | 2,670 | 2,933 | 2,939 | 2,915 | 2,790 | 3,071 | 2,488 | 240 |
| Exchangeable Units distributions | 74,540 | 74,210 | 74,210 | 74,210 | 73,551 | 73,221 | 73,221 | 73,221 | 73,221 |
| Internal expenses for leasing | 2,488 | 2,399 | 2,282 | 2,254 | 2,254 | 1,900 | 2,213 | 2,323 | 2,079 |
| Income tax (recovery) expense | (12) | — | — | — | 1 | (119) | (4) | 4 | 2 |
| Funds from Operations | $ 187,189 | $ 184,640 | $ 181,013 | $ 183,590 | $ 176,891 | $ 174,183 | $ 173,119 | $ 175,290 | $ 175,136 |
| FFO per unit - diluted | $ 0.259 | $ 0.255 | $ 0.250 | $ 0.254 | $ 0.244 | $ 0.241 | $ 0.239 | $ 0.242 | $ 0.242 |
| FFO payout ratio - diluted(i) | 72.8% | 73.5% | 75.0% | 73.9% | 76.0% | 76.8% | 77.3% | 76.4% | 76.4% |
| Distribution declared per unit | $ 0.188 | $ 0.188 | $ 0.188 | $ 0.188 | $ 0.186 | $ 0.185 | $ 0.185 | $ 0.185 | $ 0.185 |
| Weighted average number of units outstanding - diluted(ii) | 723,666,036 | 723,662,727 | 723,664,818 | 723,656,668 | 723,665,160 | 723,586,201 | 723,577,162 | 723,593,236 | 723,466,930 |

(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.

| | First Quarter 2024 | Fourth Quarter 2023 | Third Quarter 2023 | Second Quarter 2023 | First Quarter 2023 | Fourth Quarter 2022 | Third Quarter 2022 | Second Quarter 2022 | First Quarter 2022 |
|---|---|---|---|---|---|---|---|---|---|
| Funds from operations | **$ 187,189** | $ 184,640 | $ 181,013 | $ 183,590 | $ 176,891 | $ 174,183 | $ 173,119 | $ 175,290 | $ 175,136 |
| Internal expenses for leasing | **(2,488)** | (2,399) | (2,282) | (2,254) | (2,254) | (1,900) | (2,213) | (2,323) | (2,079) |
| Straight-line rental revenue | **(261)** | (446) | 839 | 898 | 979 | (838) | (995) | (210) | (511) |
| Straight-line rental revenue adjustment to proportionate share(1) | **(614)** | (626) | (925) | (777) | (657) | (658) | (475) | (541) | (399) |
| Property capital | **(4,394)** | (46,491) | (31,513) | (5,764) | (1,748) | (35,456) | (30,119) | (2,998) | (2,364) |
| Direct leasing costs | **(1,172)** | (1,357) | (1,681) | (793) | (1,791) | (2,258) | (3,326) | (1,358) | (1,799) |
| Tenant improvements | **(3,026)** | (4,381) | (8,323) | (3,686) | (6,443) | (5,188) | (4,757) | (3,320) | (6,117) |
| Operating capital expenditures adjustment to proportionate share(1) | **(2,088)** | (1,845) | (570) | (814) | (598) | (950) | (874) | (832) | (1,118) |
| Adjusted Funds from Operations | **$ 173,146** | $ 127,095 | $ 136,558 | $ 170,400 | $ 164,379 | $ 126,935 | $ 130,360 | $ 163,708 | $ 160,749 |
| AFFO per unit - diluted | **$ 0.239** | $ 0.176 | $ 0.189 | $ 0.235 | $ 0.227 | $ 0.175 | $ 0.180 | $ 0.226 | $ 0.222 |
| Cash distributions declared | **136,287** | 135,683 | 135,684 | 135,684 | 134,478 | 133,858 | 133,856 | 133,857 | 133,836 |
| AFFO payout ratio - diluted(i) | **78.7%** | 106.8% | 99.4% | 79.6% | 81.8% | 105.5% | 102.7% | 81.8% | 83.3% |
| Weighted average number of units outstanding - diluted(ii) | **723,666,036** | 723,662,727 | 723,664,818 | 723,656,668 | 723,665,160 | 723,586,201 | 723,577,162 | 723,593,236 | 723,466,930 |

(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 Total Adjusted Debt to Total Assets ratio and Debt Service Coverage ratio for the periods indicated. Refer to section 4.4 "Financial Condition" and Section 14, "Non-GAAP Financial Measures" for further details about this non-GAAP measure.

| | First Quarter 2024 | Fourth Quarter 2023 | Third Quarter 2023 | Second Quarter 2023 | First Quarter 2023 | Fourth Quarter 2022 | Third Quarter 2022 | Second Quarter 2022 | First Quarter 2022 |
|---|---|---|---|---|---|---|---|---|---|
| Total Assets - Proportionate Basis | **$ 17,467,013** | $17,889,244 | $17,800,387 | $17,624,482 | $17,483,341 | $17,349,387 | $16,941,805 | $16,676,996 | $16,910,210 |
| Debt Service Coverage Ratio - Denominator | **$ 82,312** | $ 84,686 | $ 84,449 | $ 79,923 | $ 79,121 | $ 78,148 | $ 76,253 | $ 70,330 | $ 68,639 |

## Financial Results

**Choice Properties Real Estate Investment Trust**
**Condensed Consolidated Balance Sheets**
*(unaudited)*

| (in thousands of Canadian dollars) | Note | | As at March 31, 2024 | | As at December 31, 2023 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Investment properties | 5 | **$** | **14,974,000** | $ | 14,923,000 |
| Equity accounted joint ventures | 6 | | **881,400** | | 883,712 |
| Financial real estate assets | 7 | | **195,168** | | 195,457 |
| Residential development inventory | | | **1,991** | | 8,681 |
| Mortgages, loans and notes receivable | 8 | | **415,871** | | 656,001 |
| Investment in real estate securities | | | **208,667** | | 238,308 |
| Intangible assets | | | **13,714** | | 13,964 |
| Accounts receivable and other assets | 9 | | **174,483** | | 137,180 |
| Cash and cash equivalents | 19(c) | | **9,702** | | 252,424 |
| **Total Assets** | | **$** | **16,874,996** | $ | 17,308,727 |
| | | | | | |
| **Liabilities and Equity** | | | | | |
| Long term debt | 10 | **$** | **6,455,188** | $ | 6,695,923 |
| Credit facility | 11 | | **33,081** | | — |
| Exchangeable Units | 12 | | **5,453,938** | | 5,521,222 |
| Trade payables and other liabilities | 13 | | **482,615** | | 723,080 |
| Total Liabilities | | | **12,424,822** | | 12,940,225 |
| | | | | | |
| Equity | | | | | |
| Unitholders' equity | 12 | | **4,450,174** | | 4,368,502 |
| Total Equity | | | **4,450,174** | | 4,368,502 |
| **Total Liabilities and Equity** | | **$** | **16,874,996** | $ | 17,308,727 |

Contingencies, Commitments, and Guarantees (Note 21)
See accompanying notes to the condensed consolidated financial statements

Approved on behalf of the Board of Trustees

***[signed]***
**Gordon A. M. Currie**
Chair, Board of Trustees

***[signed]***
**Karen Kinsley**
Chair, Audit Committee

**Choice Properties Real Estate Investment Trust**
**Condensed Consolidated Statements of Income and Comprehensive Income**
*(unaudited)*

| (in thousands of Canadian dollars) | Note | Three Months March 31, 2024 | Three Months March 31, 2023 |
|---|---|---|---|
| **Net Rental Income** | | | |
| Rental revenue | 15 | $ **337,958** | $ 324,657 |
| Property operating costs | 16 | **(98,105)** | (95,270) |
| | | **239,853** | 229,387 |
| **Residential Inventory Income** | | | |
| Gross sales | | **11,268** | — |
| Cost of sales | | **(9,234)** | — |
| | | **2,034** | — |
| **Other Income and Expenses** | | | |
| Interest income | | **9,759** | 8,975 |
| Investment income | | **5,315** | 5,315 |
| Fee income | | **701** | 1,653 |
| Net interest expense and other financing charges | 17 | **(142,284)** | (139,357) |
| General and administrative expenses | | **(14,638)** | (14,562) |
| Share of income from equity accounted joint ventures | | **4,718** | 22,824 |
| Amortization of intangible assets | | **(250)** | (250) |
| Transaction costs and other related expenses | 4 | **—** | (25) |
| Adjustment to fair value of unit-based compensation | 14 | **781** | 732 |
| Adjustment to fair value of Exchangeable Units | 12 | **67,284** | 94,989 |
| Adjustment to fair value of investment properties | 5 | **(1,365)** | 75,767 |
| Adjustment to fair value of investment in real estate securities | | **(29,641)** | (14,643) |
| **Income before Income Taxes** | | **142,267** | 270,805 |
| Income tax recovery (expense) | | **12** | (1) |
| **Net Income** | | $ **142,279** | $ 270,804 |

| | Note | Three Months March 31, 2024 | Three Months March 31, 2023 |
|---|---|---|---|
| **Net Income** | | $ **142,279** | $ 270,804 |
| **Other Comprehensive Income (Loss)** | | | |
| Unrealized gain (loss) on designated hedging instruments | 18 | **3,424** | (6,890) |
| Other comprehensive income (loss) | | **3,424** | (6,890) |
| **Comprehensive Income** | | $ **145,703** | $ 263,914 |

See accompanying notes to the condensed consolidated financial statements

**Choice Properties Real Estate Investment Trust**
**Condensed Consolidated Statements of Changes in Equity**
*(unaudited)*

| (in thousands of Canadian dollars) | Note | **Attributable to Choice Properties' Unitholders** Trust Units | Cumulative net income | Accumulated other comprehensive income | Cumulative distributions to Unitholders | Total Unitholders' equity |
|---|---|---|---|---|---|---|
| Equity, December 31, 2023 | | $ 3,660,985 | $ 2,375,686 | $ 6,551 | $ (1,674,720) | $ 4,368,502 |
| Net Income | | — | 142,279 | — | — | 142,279 |
| Other comprehensive income (loss) | | — | — | 3,424 | — | 3,424 |
| Distributions | | — | — | — | (61,747) | (61,747) |
| Reclassification of vested Unit-Settled Restricted Units liability to equity | 12 | 1,452 | — | — | — | 1,452 |
| Units repurchased for unit-based compensation arrangements | 12 | (3,736) | — | — | — | (3,736) |
| **Equity, March 31, 2024** | | **$ 3,658,701** | **$ 2,517,965** | **$ 9,975** | **$ (1,736,467)** | **$ 4,450,174** |

| (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, 2022 | $ 3,661,605 | $ 1,578,995 | $ 12,925 | $ (1,429,372) | $ 3,824,153 |
| Net Income | — | 270,804 | — | — | 270,804 |
| Other comprehensive income (loss) | — | — | (6,890) | — | (6,890) |
| Distributions | — | — | — | (60,927) | (60,927) |
| Units issued under unit-based compensation arrangements | 1,362 | — | — | — | 1,362 |
| Reclassification of vested Unit-Settled Restricted Units liability to equity | 1,379 | — | — | — | 1,379 |
| Units repurchased for unit-based compensation arrangements | (3,348) | — | — | — | (3,348) |
| Equity, March 31, 2023 | $ 3,660,998 | $ 1,849,799 | $ 6,035 | $ (1,490,299) | $ 4,026,533 |

See accompanying notes to the 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, 2024 | Three Months March 31, 2023 |
|---|---|---|---|
| **Operating Activities** | | | |
| Net income | | **$ 142,279** | $ 270,804 |
| Net interest expense and other financing charges | 17 | **142,284** | 139,357 |
| Interest paid | | **(83,888)** | (72,130) |
| Interest income | | **(9,759)** | (8,975) |
| Interest received | | **8,452** | 6,880 |
| Share of income from equity accounted joint ventures | | **(4,718)** | (22,824) |
| Distributions from equity accounted joint ventures | | **8,609** | 6,221 |
| Additions to residential inventory | | **(2,544)** | (2,099) |
| Direct leasing costs and tenant improvement allowances | 5 | **(4,198)** | (8,234) |
| Cash paid on vesting of restricted and performance units | | **(2,575)** | (2,530) |
| Items not affecting cash and other items | 19(a) | **(35,570)** | (154,067) |
| Net change in non-cash working capital | 19(b) | **(16,780)** | (19,376) |
| **Cash Flows from Operating Activities** | | **141,592** | 133,027 |
| **Investing Activities** | | | |
| Acquisitions of investment properties | 4 | **(38,433)** | (53,622) |
| Acquisitions of financial real estate assets | 7 | **—** | (86,452) |
| Additions to investment properties | 5 | **(41,543)** | (40,900) |
| Additions to financial real estate assets | 7 | **(3)** | 811 |
| Contributions to equity accounted joint ventures | | **(1,454)** | (11,507) |
| Mortgages, loans and notes receivable advances | | **(75,132)** | (74,096) |
| Mortgages, loans and notes receivable repayments | | **21,010** | 29,886 |
| Proceeds from dispositions | 4 | **23,325** | 27,613 |
| **Cash Flows used in Investing Activities** | | **(112,230)** | (208,267) |
| **Financing Activities** | | | |
| Proceeds from issuance of debentures, net | 10 | **—** | 547,053 |
| Repayments of debentures | 10 | **(200,000)** | (375,000) |
| Net advances (repayments) of mortgages payable | 10 | **(56,315)** | 134,065 |
| Net advances (repayments) on construction loans | 10 | **14,441** | (13,107) |
| Net advances (repayments) of credit facility | 11 | **35,000** | (175,000) |
| Cash received on exercise of options | | **—** | 1,156 |
| Repurchase of units for unit-based compensation arrangement | 12 | **(3,736)** | (3,348) |
| Distributions paid on Trust Units | | **(61,474)** | (60,649) |
| **Cash Flows from (used in) Financing Activities** | | **(272,084)** | 55,170 |
| Change in cash and cash equivalents | | **(242,722)** | (20,070) |
| Cash and cash equivalents, beginning of period | | **252,424** | 64,736 |
| **Cash and cash equivalents, End of period** | 19(c) | **$ 9,702** | $ 44,666 |

Supplemental disclosure of non-cash operating activities (Note 19)
See accompanying notes to the 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, 2024, 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' unaudited 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 2023 audited annual consolidated financial statements for Choice Properties have been applied consistently in the preparation of these condensed consolidated financial statements. 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 ("IAS") 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, 2023.

These condensed consolidated financial statements were authorized for issuance by the Board of Trustees ("Board") for Choice Properties on April 24, 2024.

## Note 3. Future Accounting Standards

### IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, IFRS 18, "Presentation and Disclosure in Financial Statements" was issued to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1 "Presentation of Financial Statements", impacts the presentation of primary financial statements and notes, including the statement of earnings where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Trust is currently assessing the impact of the new standard.

## Note 4. Investment Property and Other Transactions

The following table summarizes the investment properties acquired in the three months ended March 31, 2024:

| ($ thousands except where otherwise indicated) | | | | | | Consideration |
|---|---|---|---|---|---|---|
| **Property / Location** | **Date of Acquisition** | **Segment** | **Ownership Interest Acquired** | **Purchase Price** | **Purchase Price incl. Related Costs** | **Cash** |
| **Investment properties** | | | | | | |
| 396 St. Clair Ave. W., Toronto, ON | Mar 19 | Retail | 100% | $ 38,300 | $ 38,433 | $ 38,433 |
| **Acquisitions from related parties (Note 22)** | | | | **$ 38,300** | **$ 38,433** | **$ 38,433** |

The following table summarizes the investment properties sold in the three months ended March 31, 2024:

| ($ thousands except where otherwise indicated) | | | | | Consideration |
|---|---|---|---|---|---|
| **Property / Location** | **Date of Disposition** | **Segment** | **Ownership Interest Disposed** | **Sale Price excl. Selling Costs** | **Cash** |
| **Investment properties** | | | | | |
| Crossroads Shopping Centre, Edmonton, AB | Feb 14 | Retail | 50% | $ 6,700 | $ 6,700 |
| 379 Orenda Rd., Brampton, ON | Mar 14 | Industrial | 100% | 16,625 | 16,625 |
| **Total dispositions of investment properties** | | | | **$ 23,325** | **$ 23,325** |

## Note 5. Investment Properties

| ($ thousands) | Note | Income producing properties | Properties under development | Three months ended March 31, 2024 | Year ended December 31, 2023 |
|---|---|---|---|---|---|
| Balance, beginning of period | | **$ 14,635,000** | **$ 288,000** | **$ 14,923,000** | $ 14,444,000 |
| Acquisitions - including transaction costs of $133 (2023 - $5,282) | 4 | **38,433** | **—** | **38,433** | 165,421 |
| Capital expenditures | | | | | |
| Development capital(i) | | **—** | **22,353** | **22,353** | 122,264 |
| Building improvements | | **5,507** | **—** | **5,507** | 20,141 |
| Capitalized interest(ii) | 17 | **—** | **544** | **544** | 5,402 |
| Property capital | | **4,394** | **—** | **4,394** | 85,516 |
| Direct leasing costs | | **1,172** | **—** | **1,172** | 5,622 |
| Tenant improvement allowances | | **3,026** | **—** | **3,026** | 22,833 |
| Amortization of straight-line rent | | **261** | **—** | **261** | (2,270) |
| Transfers to assets held for sale | | **—** | **—** | **—** | (92,754) |
| Transfer from equity accounted joint ventures | | **—** | **—** | **—** | 192,810 |
| Transfers from properties under development | | **74,585** | **(74,585)** | **—** | — |
| Reclassification of lease receivable | | **—** | **—** | **—** | 24,988 |
| Dispositions | 4 | **(23,325)** | **—** | **(23,325)** | (187,263) |
| Adjustment to fair value of investment properties(iii) | | **(2,053)** | **688** | **(1,365)** | 116,290 |
| **Balance, end of period** | | **$ 14,737,000** | **$ 237,000** | **$ 14,974,000** | $ 14,923,000 |

(i) Development capital included $nil of site intensification payments paid to Loblaw (December 31, 2023 - $14,377) (Note 22).
(ii) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.07% (December 31, 2023 - 4.05%).
(iii) The unrealized fair value loss to investment properties owned at March 31, 2024 was $1,056 (December 31, 2023 - unrealized fair value gain of $91,742)

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 22) 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.

**Valuation Methodology and Process**
Please refer to the Trust's 2023 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:

| | As at March 31, 2024 | | As at December 31, 2023 | |
|---|---|---|---|---|
| **Total Income Producing Properties** | **Range** | **Weighted average** | Range | Weighted average |
| Discount rate | **5.00% - 10.50%** | **7.13%** | 5.50% - 10.50% | 7.10% |
| Terminal capitalization rate | **4.50% - 9.95%** | **6.35%** | 4.75% - 9.95% | 6.31% |
| **Retail** | | | | |
| Discount rate | **5.50% - 10.50%** | **7.35%** | 5.50% - 10.50% | 7.36% |
| Terminal capitalization rate | **4.75% - 9.95%** | **6.58%** | 4.75% - 9.95% | 6.58% |
| **Industrial** | | | | |
| Discount rate | **5.75% - 8.50%** | **6.61%** | 5.75% - 8.75% | 6.41% |
| Terminal capitalization rate | **5.00% - 7.75%** | **5.79%** | 5.00% - 8.00% | 5.59% |
| **Mixed-Use & Residential** | | | | |
| Discount rate | **5.00% - 7.50%** | **6.55%** | 5.50% - 7.50% | 6.79% |
| Terminal capitalization rate | **4.50% - 6.75%** | **5.89%** | 5.00% - 6.75% | 6.10% |

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 year, in accordance with the Trust's policy, is as follows:

| | Three months ended March 31, 2024 | | Year ended December 31, 2023 | |
|---|---|---|---|---|
| ($ thousands except where otherwise indicated) | **Number of income producing properties** | **Fair value** | Number of income producing properties | Fair value |
| | **19** | **$ 949,000** | 79 | $ 3,057,000 |

### 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)% | 5.60 % | $ 15,892,000 | $ 1,155,000 | 6.38 % | $ 15,578,000 | $ 841,000 |
| (0.50)% | 5.85 % | 15,474,000 | 737,000 | 6.63 % | 15,291,000 | 554,000 |
| (0.25)% | 6.10 % | 15,090,000 | 353,000 | 6.88 % | 15,010,000 | 273,000 |
| — % | 6.35 % | 14,737,000 | — | 7.13 % | 14,737,000 | — |
| 0.25 % | 6.60 % | 14,409,000 | (328,000) | 7.38 % | 14,469,000 | (268,000) |
| 0.50 % | 6.85 % | 14,106,000 | (631,000) | 7.63 % | 14,208,000 | (529,000) |
| 0.75 % | 7.10 % | 13,825,000 | (912,000) | 7.88 % | 13,952,000 | (785,000) |

### Note 6. Equity Accounted Joint Ventures

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

| | **As at March 31, 2024** | | As at December 31, 2023 | |
|---|---|---|---|---|
| | **Number of joint ventures** | **Ownership interest** | Number of joint ventures | Ownership interest |
| Retail | **15** | **25% - 75%** | 15 | 25% - 75% |
| Industrial | **1** | **75%** | — | — % |
| Mixed-Use & Residential | **4** | **50%** | 3 | 50% |
| Land held for development | **1** | **85%** | 3 | 50% - 85% |
| **Total equity accounted joint ventures** | **21** | | 21 | |
| **Choice Properties' investment in equity accounted joint ventures** | | **$ 881,400** | | $ 883,712 |

### Note 7. Financial Real Estate Assets

| ($ thousands) | **Three months ended March 31, 2024** | Year ended December 31, 2023 |
|---|---|---|
| Balance, beginning of period | **$ 195,457** | $ 109,509 |
| Acquisitions | **—** | 86,452 |
| Additions | **3** | (2,401) |
| Income (loss) from financial real estate assets due to changes in value | **(292)** | 1,897 |
| **Balance, end of period** | **$ 195,168** | $ 195,457 |

As at March 31, 2024 the weighted average discount rate and terminal capitalization rate used to determine the fair value of the Trust's financial real estate assets are 6.85% and 6.27%, respectively (December 31, 2023 - 6.85% and 6.27%, respectively).

### Note 8. Mortgages, Loans and Notes Receivable

| ($ thousands) | Note | **As at March 31, 2024** | As at December 31, 2023 |
|---|---|---|---|
| Mortgages receivable classified as amortized cost[(i)] | | **$ 200,231** | $ 199,197 |
| Mortgages receivable classified as fair value through profit and loss ("FVTPL") | 18 | **141,430** | 160,953 |
| Notes receivable from GWL classified as amortized cost[(i)] | 22 | **74,210** | 295,851 |
| **Mortgages, loans and notes receivable** | | **$ 415,871** | $ 656,001 |
| | | | |
| Classified as: | | | |
| Expected to be recovered in more than twelve months | | **$ 53,671** | $ 84,277 |
| Expected to be recovered in less than twelve months | | **362,200** | 571,724 |
| | | **$ 415,871** | $ 656,001 |

(i) The fair value of the mortgages, loans and notes receivable classified as amortized cost was $279,000 (December 31, 2023 - $500,700) (Note 18).

### 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, 2024 | | December 31, 2023 | |
|---|---|---|---|---|
| | **Weighted average interest rate** | **Weighted average term to maturity (years)** | Weighted average interest rate | Weighted average term to maturity (years) |
| Mortgages receivable | **7.99%** | **0.6** | 8.14% | 0.8 |
| **Total** | **7.99%** | **0.6** | 8.14% | 0.8 |

### Notes Receivable from GWL

Non-interest bearing short-term notes totalling $74,210 were issued during the three months ended March 31, 2024 to GWL. Non-interest bearing short-term notes totalling $295,851 with respect to the loans received in the 2023 fiscal year were settled against distributions payable by the Trust to GWL in January 2024. (Note 22).

### 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 2024 | 2025 | 2026 | 2027 | 2028 | Total |
|---|---|---|---|---|---|---|
| Principal repayments | | | | | | |
| Mortgages receivable | $ 254,637 | $ 42,717 | $ 23,947 | $ — | $ 18,173 | **$ 339,474** |
| Notes receivable from GWL | — | 74,210 | — | — | — | **74,210** |
| **Total principal repayments** | **254,637** | **116,927** | **23,947** | **—** | **18,173** | **413,684** |
| Interest accrued | 2,187 | — | — | — | — | **2,187** |
| **Total repayments** | **$ 256,824** | **$ 116,927** | **$ 23,947** | **$ —** | **$ 18,173** | **$ 415,871** |

## Note 9. Accounts Receivable and Other Assets

| ($ thousands) | Note | | **As at March 31, 2024** | | As at December 31, 2023 |
|---|---|---|---|---|---|
| Rent receivables[(i)] - net of expected credit loss of $13,689 (2023 - $13,954) | | **$** | **1,988** | $ | 1,760 |
| Accrued recovery income | | | **33,179** | | 22,198 |
| Other receivables | | | **52,981** | | 49,671 |
| Cost-to-complete receivable | 22 | | **4,061** | | 4,440 |
| Due from related parties[(ii)] | 22 | | **5,463** | | 3,138 |
| Restricted cash | | | **208** | | 4,419 |
| Prepaid property taxes | | | **22,324** | | 8,045 |
| Prepaid insurance | | | **10,312** | | 412 |
| Other assets | | | **18,594** | | 21,097 |
| Right-of-use assets - net of accumulated amortization of $2,618 (2023 - $2,465) | | | **1,261** | | 1,413 |
| Deferred tax asset | | | **2,805** | | 2,792 |
| Deferred acquisition costs and deposits on land | | | **11,195** | | 9,923 |
| Designated hedging derivatives | 18 | | **10,112** | | 7,872 |
| **Accounts receivable and other assets** | | **$** | **174,483** | $ | 137,180 |
| | | | | | |
| Classified as: | | | | | |
| Expected to be recovered in more than twelve months | | **$** | **25,392** | $ | 23,519 |
| Expected to be recovered in less than twelve months | | | **149,091** | | 113,661 |
| | | **$** | **174,483** | $ | 137,180 |

(i) Includes net rent receivable of $329 from Loblaw and $132 from Wittington (December 31, 2023 - $1,080 and $129, respectively) (Note 22).
(ii) Other receivables due from related parties include $4,876 from Loblaw and $587 from GWL (December 31, 2023 - $2,626 and $512, respectively) (Note 22).

### 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.

### Restricted cash

Restricted cash includes property-specific deposits held by the Trust's solicitors in the name of the Trust. These funds will be released upon funding the construction of the residential inventory projects, after posting the requisite security, or upon closing of such projects. Funds held in trust may also relate to certain funds held in escrow pursuant to agreements of purchase and sale, which are to be used for the acquisition of investment properties.

## Note 10. Long Term Debt

| ($ thousands) | As at March 31, 2024 | As at December 31, 2023 |
|---|---|---|
| Senior unsecured debentures | $ 5,433,443 | $ 5,632,522 |
| Mortgages payable | 917,245 | 973,342 |
| Construction loans | 104,500 | 90,059 |
| **Long term debt** | $ 6,455,188 | $ 6,695,923 |

| | | |
|---|---|---|
| Classified as: | | |
| Expected to be settled in more than twelve months | $ 5,413,013 | $ 5,731,427 |
| Expected to be settled in less than twelve months | 1,042,175 | 964,496 |
| | $ 6,455,188 | $ 6,695,923 |

### Senior Unsecured Debentures

($ thousands)

| Series | Issuance / Assumption Date | Maturity Date | Interest Rate | As at March 31, 2024 | As at December 31, 2023 |
|---|---|---|---|---|---|
| D | Feb 8, 2014 | Feb 8, 2024 | 4.29% | — | 200,000 |
| F | Nov 24, 2015 | Nov 24, 2025 | 4.06% | 200,000 | 200,000 |
| H | Mar 7, 2016 | Mar 7, 2046 | 5.27% | 100,000 | 100,000 |
| J | Jan 12, 2018 | Jan 10, 2025 | 3.55% | 350,000 | 350,000 |
| K | Mar 8, 2018 | Sept 9, 2024 | 3.56% | 550,000 | 550,000 |
| L | Mar 8, 2018 | Mar 8, 2028 | 4.18% | 750,000 | 750,000 |
| M | Jun 11, 2019 | Jun 11, 2029 | 3.53% | 750,000 | 750,000 |
| N | Mar 3, 2020 | Mar 4, 2030 | 2.98% | 400,000 | 400,000 |
| O | Mar 3, 2020 | Mar 4, 2050 | 3.83% | 100,000 | 100,000 |
| P | May 22, 2020 | May 21, 2027 | 2.85% | 500,000 | 500,000 |
| Q | Nov 30, 2021 | Nov 30, 2026 | 2.46% | 350,000 | 350,000 |
| R | Jun 24, 2022 | Jun 24, 2032 | 6.00% | 500,000 | 500,000 |
| S | Mar 1, 2023 | Mar 1, 2033 | 5.40% | 550,000 | 550,000 |
| T | Aug 1, 2023 | Feb 28, 2034 | 5.70% | 350,000 | 350,000 |
| **Total principal outstanding** | | | | 5,450,000 | 5,650,000 |
| Debt placement costs - net of accumulated amortization of $22,810 (2023 - $21,889) | | | | (16,557) | (17,478) |
| **Senior unsecured debentures** | | | | $ 5,433,443 | $ 5,632,522 |

As at March 31, 2024, the senior unsecured debentures had a weighted average interest rate of 4.06% and a weighted average term to maturity of 5.5 years (December 31, 2023 - 4.07% and 5.5 years, respectively).

On February 8, 2024, the Trust paid in full upon maturity, at par, plus accrued and unpaid interest thereon, the $200 million aggregate principal amount of the 4.29% Series D senior unsecured debentures outstanding.

## Mortgages Payable

| ($ thousands) | As at March 31, 2024 | As at December 31, 2023 |
|---|---|---|
| Mortgages principal | $ 920,426 | $ 976,661 |
| Net debt discounts and premiums - net of accumulated amortization of $6,269 (2023 - $6,108) | (1,009) | (1,170) |
| Debt placement costs - net of accumulated amortization of $771 (2023 - $714) | (2,172) | (2,149) |
| **Mortgages payable** | **$ 917,245** | $ 973,342 |

As at March 31, 2024, the mortgages had a weighted average interest rate of 4.02% and a weighted average term to maturity of 6.4 years (December 31, 2023 - 4.03% and 6.1 years, respectively).

## Construction Loans

As at March 31, 2024, $104,500 was outstanding on the construction loans (December 31, 2023 - $90,059), with a weighted average interest rate of 4.23% and a weighted average term to maturity of 3.9 years (December 31, 2023 - 4.61% and 3.5 years, respectively). Of the outstanding construction loans, $49,349 was financed at a variable rate, while $55,151 was financed at a fixed rate.

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 and fixed rate non-revolving construction facilities, in which certain subsidiaries of the Trust guarantee its own share. These construction loans, which mature throughout 2024 to 2031, have a maximum capacity to be drawn at the Trust's ownership interest of $448,237, of which $328,261 relates to equity accounted joint ventures, as at March 31, 2024 (December 31, 2023 - $447,987 and $328,261, respectively).

## 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 2024 | 2025 | 2026 | 2027 | 2028 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| Senior unsecured debentures | $ 550,000 | $ 550,000 | $ 350,000 | $ 500,000 | $ 750,000 | $ 2,750,000 | **$ 5,450,000** |
| Mortgages payable | 90,516 | 122,582 | 68,791 | 89,615 | 49,589 | 499,333 | **920,426** |
| Construction loans | 49,349 | — | — | — | — | 55,151 | **104,500** |
| **Total** | **$ 689,865** | **$ 672,582** | **$ 418,791** | **$ 589,615** | **$ 799,589** | **$ 3,304,484** | **$ 6,474,926** |

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

| | | | | March 31, 2024 | December 31, 2023 |
|---|---|---|---|---|---|
| ($ thousands) | Senior unsecured debentures | Mortgages payable | Construction loans | Long term debt | Long term debt |
| Balance, beginning of period | $ 5,632,522 | $ 973,342 | $ 90,059 | **$ 6,695,923** | $ 6,294,101 |
| Issuances and advances | — | — | 16,025 | **16,025** | 1,106,157 |
| Repayments | (200,000) | (56,235) | (1,584) | **(257,819)** | (685,292) |
| Debt placement costs | — | (80) | — | **(80)** | (5,734) |
| Total cash flow activities | (200,000) | (56,315) | 14,441 | **(241,874)** | 415,131 |
| Assumed by purchaser | — | — | — | **—** | (62,490) |
| Assumed from seller | — | — | — | **—** | 13,346 |
| Transfer from equity accounted joint venture | — | — | — | **—** | 31,866 |
| Amortization of debt discounts and premiums | — | 161 | — | **161** | 158 |
| Amortization of debt placement costs | 921 | 57 | — | **978** | 3,811 |
| Total non-cash activities | 921 | 218 | — | **1,139** | (13,309) |
| **Balance, end of period** | **$ 5,433,443** | **$ 917,245** | **$ 104,500** | **$ 6,455,188** | $ 6,695,923 |

## Note 11. Credit Facility

| ($ thousands) | | As at March 31, 2024 | | As at December 31, 2023 |
|---|---|---|---|---|
| **Credit facility** | | | | |
| $1,500,000 syndicated | $ | 35,153 | $ | — |
| Debt placement costs - net of accumulated amortization of $11,595 (2023 - $11,435) | | (2,072) | | — |
| **Credit facility** | $ | 33,081 | $ | — |
| | | | | |
| Classified as: | | | | |
| Expected to be settled in more than twelve months | $ | 33,081 | $ | — |
| Expected to be settled in less than twelve months | | — | | — |
| | $ | 33,081 | $ | — |

Choice Properties has a $1,500,000 senior unsecured committed revolving credit facility maturing September 1, 2028, provided by a syndicate of lenders. 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 Bankers' Acceptance rate plus 1.20%, 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 or S&P remaining at BBB (high). Concurrently with the U.S. dollar draws, the Trust enters into cross currency swaps to exchange its U.S. dollar borrowings into Canadian dollar borrowings. The Trust has applied hedge accounting to the cross currency swaps.

As at March 31, 2024, the Trust has drawn in U.S. dollars the equivalent of $35,000 Canadian dollars (December 31, 2023 - $nil) and $nil was drawn in Canadian dollar borrowings (December 31, 2023 - $nil). The full amount drawn was exchanged and revalued at $35,153 Canadian dollars as at March 31, 2024. Total drawn under the syndicated facility as at March 31, 2024 in equivalent Canadian dollars was $35,000 (December 31, 2023 - $nil).

The credit facility contains certain financial covenants. As at March 31, 2024, 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, 2024 | | December 31, 2023 |
|---|---|---|---|---|
| Balance, beginning of period | $ | — | $ | 257,617 |
| Net advances (repayments) of $1,500,000 syndicated credit facility | | 35,000 | | (260,000) |
| Extension fee and related costs included in debt placement costs | | — | | (677) |
| Total cash flow activities | | 35,000 | | (260,677) |
| Translation of US dollar denominated borrowings | | 153 | | — |
| Amortization of debt placement costs | | 160 | | 828 |
| Reclassified to (from) other assets | | (2,232) | | 2,232 |
| Total non-cash activities | | (1,919) | | 3,060 |
| **Balance, end of period** | $ | 33,081 | $ | — |

## 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, 2024** | | As at December 31, 2023 | |
|---|---|---|---|---|---|
| ($ thousands except where otherwise indicated) | | **Units** | **Amount** | Units | Amount |
| Units, beginning of period | | **327,859,972** | **$ 3,660,985** | 327,771,149 | $ 3,661,605 |
| Units issued under unit-based compensation arrangements | 14 | **282,574** | **—** | 329,716 | 1,362 |
| Reclassification of vested Unit-Settled Restricted Units liability to equity | | **—** | **1,452** | — | 1,497 |
| Units repurchased for unit-based compensation arrangements | 14 | **(282,574)** | **(3,736)** | (240,893) | (3,479) |
| **Units, end of period** | | **327,859,972** | **$ 3,658,701** | 327,859,972 | $ 3,660,985 |
| Exchangeable Units, beginning of period | | **395,786,525** | **$ 5,521,222** | 395,786,525 | $ 5,841,809 |
| Adjustment to fair value of Exchangeable Units | | **—** | **(67,284)** | — | (320,587) |
| **Exchangeable Units, end of period** | | **395,786,525** | **$ 5,453,938** | 395,786,525 | $ 5,521,222 |
| **Total Units and Exchangeable Units, end of period** | | **723,646,497** | | 723,646,497 | |

### 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 17, 2023, Choice Properties received approval from the TSX to purchase up to 27,563,002 Units during the twelve-month period from November 21, 2023 to November 20, 2024, 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 under Unit-Based Compensation Arrangements
Units were issued as part of settlements under the Unit Option Plan and grants under the Unit-Settled Restricted Unit Plan, as applicable (Note 14).

**Units Repurchased for Unit-Based Compensation Arrangements**
The Trust acquired Units under its NCIB during the three months ended March 31, 2024 and the year ended December 31, 2023, 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.

**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, 2024, Choice Properties declared cash distributions of $0.188 per unit or $136,287 in aggregate (March 31, 2023 - $0.186, or $134,478, 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 14, 2024, the Trust announced an increase of distributions to $0.76 per unit per annum from the previous rate of $0.75 per unit per annum (an increase of 1.3%). The increase was effective for Unitholders of record on March 31, 2024.

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 16, 2023, Choice Properties filed 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, 2024 | As at December 31, 2023 |
|---|---|---|---|
| Trade accounts payable | | **$ 24,915** | $ 43,514 |
| Accrued liabilities and provisions(i) | | **135,434** | 97,542 |
| Accrued acquisition transaction costs and other related expenses | | **39,498** | 39,318 |
| Accrued capital expenditures(ii) | | **50,465** | 60,077 |
| Accrued interest expense | | **44,128** | 60,905 |
| Due to related party(iii) | 22 | **100,992** | 323,036 |
| Contingent consideration | | **17,338** | 17,214 |
| Unit-based compensation | 14 | **12,173** | 15,482 |
| Distributions payable(iv) | | **20,938** | 20,665 |
| Lease liabilities | | **1,331** | 1,453 |
| Tenant deposits | | **17,872** | 17,508 |
| Deferred revenue | | **17,531** | 25,029 |
| Designated hedging derivatives | 18 | **—** | 1,337 |
| **Trade payables and other liabilities** | | **$ 482,615** | $ 723,080 |
| | | | |
| Classified as: | | | |
| Expected to be settled in more than twelve months | | **$ 19,423** | $ 24,628 |
| Expected to be settled in less than twelve months | | **463,192** | 698,452 |
| | | **$ 482,615** | $ 723,080 |

(i) Includes amounts payable to Loblaw of $8,045 (December 31, 2023 - $7,428) (Note 22).
(ii) Includes construction allowances payable to Loblaw of $19,610 (December 31, 2023 - $26,726) (Note 22).
(iii) Includes distributions accrued on Exchangeable Units of $99,276 payable to GWL (December 31, 2023 - $320,587); $1,419 payable for shared costs incurred by GWL, the Services Agreement expense and other related party charges (December 31, 2023 - $1,050); and $297 of reimbursed contract revenue and other related party charges payable to Loblaw (December 31, 2023 - $296) (Note 22).
(iv) Includes distributions payable to GWL of $3,209 and Wittington of $1,045 (December 31, 2023 - $3,166 and $1,031, respectively) (Note 22).

### Contingent Consideration

On March 30, 2021, the Trust acquired an 85% interest in future industrial development land in Caledon, Ontario, for $138,000. The purchase price comprised a $100,000 cash payment and a commitment to pay the remaining $38,000 balance based on certain milestones being met over the development lifecycle, which represented the then present value of the estimated amount payable. A payment of $23,100 was made upon reaching the first development milestone. The present value of the remaining estimated amount payable is $17,338 as at March 31, 2024. (December 31, 2023 - $17,214).

## Note 14. Unit-Based Compensation

| | Three Months | | | |
|---|---|---|---|---|
| ($ thousands) | | **March 31, 2024** | | March 31, 2023 |
| Unit Option plan | **$** | **(22)** | $ | (89) |
| Restricted Unit plans | | **199** | | 356 |
| Performance Unit plan | | **121** | | 326 |
| Trustee Deferred Unit plan | | **421** | | 224 |
| **Unit-based compensation expense** | **$** | **719** | $ | 817 |
| Recorded in: | | | | |
| General and administrative expenses | **$** | **1,500** | $ | 1,549 |
| Adjustment to fair value of unit-based compensation | | **(781)** | | (732) |
| | **$** | **719** | $ | 817 |

As at March 31, 2024, the carrying value of the unit-based compensation liability was $12,173 (December 31, 2023 - $15,482) (Note 13).

### Unit Option Plan

Choice Properties maintains a Unit Option plan for certain employees. Under this plan, Choice Properties may grant Unit Options totalling up to 19,744,697 Units, as approved at the annual and special meeting of Unitholders on April 29, 2015. The Unit Options vest in tranches over a period of four years. The following is a summary of Choice Properties' Unit Option plan activity:

| | **Three months ended March 31, 2024** | | | Year ended December 31, 2023 | | |
|---|---|---|---|---|---|---|
| | **Number of awards** | | **Weighted average exercise price/unit** | Number of awards | | Weighted average exercise price/unit |
| Outstanding Unit Options, beginning of period | **164,300** | **$** | **11.92** | 253,154 | $ | 12.01 |
| Exercised | **—** | | **—** | (88,823) | | 12.17 |
| Expired | **—** | | **—** | (31) | | 13.93 |
| **Outstanding Unit Options, end of the period** | **164,300** | **$** | **11.92** | 164,300 | $ | 11.92 |
| **Unit Options exercisable, end of the period** | **164,300** | **$** | **11.92** | 164,300 | $ | 11.92 |

### Restricted Unit Plans

Choice Properties has a Restricted Unit Plan and a Unit-Settled Restricted Unit Plan as described below.

*Restricted Unit Plan*

Restricted Units ("RU") entitle certain employees to receive the value of the RU award in cash or units at the end of the applicable vesting period, which is usually three years in length. The RU plan provides for the crediting of additional RUs in respect of distributions paid on Units for the period when a RU is outstanding. The fair value of each RU granted is measured based on the market value of a Trust Unit at the balance sheet date. No outstanding RUs had vested as at March 31, 2024 (December 31, 2023 - nil).

The following is a summary of Choice Properties' RU plan activity:

| | **Three months ended** | Year ended |
|---|---|---|
| (Number of awards) | **March 31, 2024** | December 31, 2023 |
| Outstanding Restricted Units, beginning of period | **265,338** | 271,147 |
| Granted | **115,588** | 128,795 |
| Reinvested | **3,691** | 16,361 |
| Exercised | **(82,306)** | (96,308) |
| Cancelled | **(6,557)** | (54,657) |
| **Outstanding Restricted Units, end of period** | **295,754** | 265,338 |

*Unit-Settled Restricted Unit Plan*

Under the terms of the Unit-Settled Restricted Unit ("URU") plan, certain employees are granted URUs which are subject to vesting conditions and disposition restrictions. Typically, full vesting of the URUs will not occur until the employee has remained with Choice Properties for three or five years from the date of grant. Depending on the nature of the grant, the URUs are subject to a six- or seven-year holding period during which the Units cannot be disposed. There were 1,562,299 URUs vested but still subject to disposition restrictions as at March 31, 2024 (December 31, 2023 - 1,503,185).

The following is a summary of Choice Properties' URU plan activity for units not yet vested:

| (Number of awards) | **Three months ended March 31, 2024** | Year ended December 31, 2023 |
|---|---|---|
| Outstanding Unit-Settled Restricted Units, beginning of period | **705,401** | 666,719 |
| Granted | **282,574** | 240,893 |
| Cancelled | **(9,743)** | (4,942) |
| Vested | **(218,661)** | (197,269) |
| **Outstanding Unit-Settled Restricted Units, end of period** | **759,571** | 705,401 |

### Performance Unit Plan

Performance Units ("PU") entitle certain employees to receive the value of the PU award in cash or units at the end of the applicable performance period, which is usually three years in length, based on the Trust achieving certain performance conditions. The PU plan provides for the crediting of additional PUs in respect of distributions paid on Units for the period when a PU is outstanding. The fair value of each PU granted is measured based on the market value of a Trust Unit at the balance sheet date. There were no PUs vested as at March 31, 2024 (December 31, 2023 - nil).

The following is a summary of Choice Properties' PU plan activity:

| (Number of awards) | **Three months ended March 31, 2024** | Year ended December 31, 2023 |
|---|---|---|
| Outstanding Performance Units, beginning of period | **256,674** | 238,418 |
| Granted | **93,131** | 97,056 |
| Reinvested | **3,431** | 14,148 |
| Exercised | **(106,176)** | (107,057) |
| Cancelled | **(11,726)** | (19,737) |
| Added by performance factor | **18,292** | 33,846 |
| **Outstanding Performance Units, end of period** | **253,626** | 256,674 |

### Trustee Deferred Unit Plan

Non-management members of the Board are required to receive a portion of their annual retainer in the form of Deferred Units ("DU") and may also elect to receive up to 100% of their remaining fees in DUs. Distributions paid earn fractional DUs, which are treated as additional awards. The fair value of each DU granted is measured based on the market value of a unit at the balance sheet date. All DUs vest when granted, however, they cannot be exercised while Trustees are members of the Board.

The following is a summary of Choice Properties' DU plan activity:

| (Number of awards) | **Three months ended March 31, 2024** | Year ended December 31, 2023 |
|---|---|---|
| Outstanding Trustee Deferred Units, beginning of period | **559,380** | 506,556 |
| Granted | **29,924** | 111,047 |
| Reinvested | **7,542** | 30,029 |
| Exercised | **—** | (88,252) |
| **Outstanding Trustee Deferred Units, end of period** | **596,846** | 559,380 |

## Note 15. Rental Revenue

Rental revenue is comprised of the following:

| ($ thousands) | Related Parties(i) | Third-party | Three months ended March 31, 2024 | Related Parties(i) | Third-party | Three months ended March 31, 2023 |
|---|---|---|---|---|---|---|
| Base rent | $ 132,359 | $ 91,548 | $ 223,907 | $ 129,888 | $ 86,206 | $ 216,094 |
| Property tax and insurance recoveries | 38,476 | 26,284 | 64,760 | 37,181 | 25,361 | 62,542 |
| Operating cost recoveries | 24,803 | 20,637 | 45,440 | 22,681 | 21,658 | 44,339 |
| Lease surrender and other revenue | 2,511 | 1,340 | 3,851 | — | 1,682 | 1,682 |
| **Rental revenue** | $ 198,149 | $ 139,809 | $ 337,958 | $ 189,750 | $ 134,907 | $ 324,657 |

(i) Refer to Note 22, 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 for stand-alone retail sites. Loblaw is directly responsible for the operating costs on such sites.

## Note 16. Property Operating Costs

| | Three Months | |
|---|---|---|
| ($ thousands) | March 31, 2024 | March 31, 2023 |
| Property taxes and insurance | $ 67,840 | $ 65,265 |
| Recoverable operating costs | 29,198 | 29,421 |
| Non-recoverable operating costs | 1,067 | 584 |
| **Property operating costs** | $ 98,105 | $ 95,270 |

Included in non-recoverable operating expenses are expected credit losses of $75 for the three months ended March 31, 2024 (March 31, 2023 - $15). Refer to Note 9 for discussion on rents receivable and the related expected credit losses.

## Note 17. Net Interest Expense and Other Financing Charges

| | | Three Months | |
|---|---|---|---|
| ($ thousands) | Note | March 31, 2024 | March 31, 2023 |
| Interest on senior unsecured debentures | | $ 55,968 | $ 51,041 |
| Interest on mortgages and construction loans | | 9,960 | 9,685 |
| Interest on credit facility | | 1,049 | 4,628 |
| Interest on right-of-use lease liabilities | | 12 | 18 |
| Amortization of debt discounts and premiums | 10 | 161 | 28 |
| Amortization of debt placement costs | 10,11 | 1,138 | 1,445 |
| Distributions on Exchangeable Units(i) | 22 | 74,540 | 73,551 |
| | | 142,828 | 140,396 |
| Less: Capitalized interest(ii)(iii) | 5 | (544) | (1,039) |
| **Net interest expense and other financing charges** | | $ 142,284 | $ 139,357 |

(i) Represents interest on indebtedness due to GWL.
(ii) Capitalized interest includes $nil capitalized on residential development inventory (March 31, 2023 - $234).
(iii) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.07% (December 31, 2023 - 4.05%).

## Note 18. 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.

| | | As at March 31, 2024 | | | | As at December 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|
| ($ thousands) | Note | **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 | **$ —** | **$ —** | **$ 141,430** | **$ 141,430** | $ — | $ — | $ 160,953 | $ 160,953 |
| Financial real estate assets | 7 | **—** | **—** | **195,168** | **195,168** | — | — | 195,457 | 195,457 |
| Investment in real estate securities | | **—** | **208,667** | **—** | **208,667** | — | 238,308 | — | 238,308 |
| Designated hedging derivatives | 9 | **—** | **10,112** | **—** | **10,112** | — | 7,872 | — | 7,872 |
| Amortized cost: | | | | | | | | | |
| Mortgages, loans and notes receivable | 8 | **—** | **—** | **279,000** | **279,000** | — | — | 500,700 | 500,700 |
| Cash and cash equivalents | 19(c) | **—** | **9,702** | **—** | **9,702** | — | 252,424 | — | 252,424 |
| **Liabilities** | | | | | | | | | |
| Fair value through profit and loss: | | | | | | | | | |
| Exchangeable Units | 12 | **—** | **5,453,938** | **—** | **5,453,938** | — | 5,521,222 | — | 5,521,222 |
| Unit-based compensation | 13,14 | **—** | **12,173** | **—** | **12,173** | — | 15,482 | — | 15,482 |
| Designated hedging derivatives | 13 | **—** | **—** | **—** | **—** | — | 1,337 | — | 1,337 |
| Amortized cost: | | | | | | | | | |
| Long term debt | 10 | **—** | **—** | **6,310,421** | **6,310,421** | — | — | 6,599,055 | 6,599,055 |
| Credit facility | 11 | **—** | **33,081** | **—** | **33,081** | — | — | — | — |

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 US$ on the Trust's credit facility (Note 10). During the three months ended March 31, 2024, an interest swap was settled upon maturity of the underlying variable rate mortgage. As at March 31, 2024, the interest rates associated with the interest rate swaps ranged from 2.8% to 5.0% (December 31, 2023 - 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, 2024** | As at December 31, 2023 |
|---|---|---|---|---|---|
| **Derivative assets** | | | | | |
| Interest rate swaps | 9 | **Nov 2025 - Jun 2030** | **$ 154,142** | **$ 9,959** | $ 7,872 |
| Cross currency swaps | 9,11 | **April 2024** | **35,000** | **153** | — |
| **Total derivative assets** | | | **$ 189,142** | **$ 10,112** | $ 7,872 |
| **Derivative liabilities** | | | | | |
| Interest rate swaps | 13 | **—** | **$ —** | **$ —** | $ 1,337 |
| **Total derivative liabilities** | | | **$ —** | **$ —** | $ 1,337 |

During the three months ended March 31, 2024, the Trust recorded an unrealized fair value gain in other comprehensive income (loss) of $3,424 (March 31, 2023 - unrealized fair value loss of $6,890).

## Note 19. Supplemental Cash Flow Information

### (a) Items not affecting cash and other items

| | | Three Months | |
|---|---|---|---|
| ($ thousands) | Note | **March 31, 2024** | March 31, 2023 |
| Straight-line rental revenue | 5 | **$ (261)** | $ 979 |
| Unit-based compensation expense included in general and administrative expenses | 14 | **1,500** | 1,549 |
| Amortization of intangible assets | | **250** | 250 |
| Adjustment to fair value of unit-based compensation | 14 | **(781)** | (732) |
| Adjustment to fair value of Exchangeable Units | 12 | **(67,284)** | (94,989) |
| Adjustment to fair value of investment properties | 5 | **1,365** | (75,767) |
| Adjustment to fair value of investment in real estate securities | | **29,641** | 14,643 |
| **Items not affecting cash and other items** | | **$ (35,570)** | $ (154,067) |

### (b) Net change in non-cash working capital

| | | Three Months | |
|---|---|---|---|
| ($ thousands) | Note | **March 31, 2024** | March 31, 2023 |
| Net change in accounts receivable and other assets | 9 | **$ (37,295)** | $ (35,795) |
| Cost of sales recognized - residential development inventory | | **9,234** | — |
| Net change in trade payables and other liabilities | 13 | **11,281** | 16,419 |
| **Net change in non-cash working capital** | | **$ (16,780)** | $ (19,376) |

### (c) Cash and cash equivalents

| ($ thousands) | **As at March 31, 2024** | As at December 31, 2023 |
|---|---|---|
| Cash | **$ 9,702** | $ 107,983 |
| Short-term investments | **—** | 144,441 |
| **Cash and cash equivalents** | **$ 9,702** | $ 252,424 |

## Note 20. 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, the Chief Financial Officer, and Chief Operating Officer of the Trust. 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, 2024 and March 31, 2023 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, 2024** |
|---|---|---|---|---|---|
| Rental revenue | **$ 277,895** | **$ 65,847** | **$ 17,666** | **$ (23,450)** | **$ 337,958** |
| Property operating costs | **(82,333)** | **(16,984)** | **(7,034)** | **8,246** | **(98,105)** |
| **Net Rental Income** | **$ 195,562** | **$ 48,863** | **$ 10,632** | **$ (15,204)** | **$ 239,853** |

(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, 2023 |
|---|---|---|---|---|---|
| Rental revenue | $ 269,618 | $ 56,030 | $ 20,976 | $ (21,967) | $ 324,657 |
| Property operating costs | (80,009) | (14,464) | (8,410) | 7,613 | (95,270) |
| Net Rental Income | $ 189,609 | $ 41,566 | $ 12,566 | $ (14,354) | $ 229,387 |

(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.

The tables below presents investment properties for the three months ended March 31, 2024 and the year ended December 31, 2023 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)** | **Three months ended March 31, 2024** |
|---|---|---|---|---|---|
| Income producing properties | **$11,100,139** | **$ 3,850,602** | **$ 906,259** | **(1,120,000)** | **$ 14,737,000** |
| Properties under development | **191,071** | **599,500** | **58,429** | **(612,000)** | **237,000** |
| **Investment Properties** | **$11,291,210** | **$ 4,450,102** | **$ 964,688** | **$ (1,732,000)** | **$ 14,974,000** |

(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) | Year ended December 31, 2023 |
|---|---|---|---|---|---|
| Income producing properties | $11,025,128 | $ 3,897,983 | $ 833,889 | (1,122,000) | $ 14,635,000 |
| Properties under development | 185,024 | 587,524 | 115,452 | (600,000) | 288,000 |
| Investment Properties | $11,210,152 | $ 4,485,507 | $ 949,341 | $ (1,722,000) | $ 14,923,000 |

(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 21. 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 assessments and reassessments. Although such matters cannot be predicted with certainty, management currently considers Choice Properties' exposure to such claims and litigation, to the extent not covered by Choice Properties' insurance policies or otherwise provided for, not 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. Based on information currently available, any proceedings and claims, individually and in the aggregate, are not expected to have a material impact on Choice Properties.

### b. Guarantees

Choice Properties issues letters of credit to support guarantees related to its investment properties including maintenance and development obligations to municipal authorities. As at March 31, 2024, the aggregate gross potential liability related to these letters of credit totalled $38,900 (December 31, 2023 - $37,668).

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. 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 $448,000, of which $346,000 relates to equity accounted joint ventures, as at March 31, 2024 (December 31, 2023 - $427,000 and $339,000, respectively).

### d. 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 $396,921 as at March 31, 2024 (December 31, 2023 - $399,071). 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.

## Note 22. Related Party Transactions

Choice Properties' parent corporation is GWL, which, as at March 31, 2024, held either directly or indirectly, a 61.7% effective interest in the Trust through ownership of 50,661,415 units and all of the Exchangeable Units, which are economically equivalent to and exchangeable to Units. GWL is also the parent company of Loblaw, with ownership of 52.6% of Loblaw's outstanding common shares as at March 31, 2024. Choice Properties' ultimate parent is Wittington Investments, Limited.

In the normal course of operations, Choice Properties enters into various transactions with related parties. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed upon by the related parties.

**Transactions and Agreements with GWL**

**Services Agreement**
During the three months ended March 31, 2024, GWL provided Choice Properties with corporate, administrative and other support services for an annualized cost of $4,988 (December 31, 2023 - $4,970).

**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, 2024, distributions declared on the Exchangeable Units totalled $74,540 (March 31, 2023 - $73,551).

As at March 31, 2024, Choice Properties had distributions on Exchangeable Units payable to GWL of $99,276 (December 31, 2023 - $320,587). The payable to GWL includes deferred distributions of $74,210 to be paid on the first business day of the 2025 fiscal year (December 31, 2023 - $295,851).

**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, 2024, GWL elected to receive distributions from Choice Properties Limited Partnership in the form of loans. As such, non-interest bearing short-term notes totalling $74,210 were issued during the three months ended March 31, 2024 to GWL. Non-interest bearing short-term notes totalling $295,851 with respect to the loans received in the 2023 fiscal year were settled against distributions payable by the Trust to GWL in January 2024.

**Trust Unit Distributions**
During the three months ended March 31, 2024, Choice Properties declared cash distributions of $9,541 on the Units held by GWL (March 31, 2023 - $9,415). As at March 31, 2024, $3,209 of Trust Unit distributions declared were payable to GWL (December 31, 2023 - $3,166). There were no non-cash distributions settled through the issuance of additional Trust Units during the three months ended March 31, 2024 (March 31, 2023 - $nil).

**Transaction Summary as Reflected in the Consolidated Financial Statements**
Transactions with GWL recorded in the consolidated statements of income and comprehensive income were comprised as follows:

| | | Three Months | |
|---|---|---|---|
| ($ thousands) | Note | **March 31, 2024** | March 31, 2023 |
| Rental revenue | 15 | **$ 801** | $ 776 |
| Services Agreement expense | | **(1,247)** | (1,242) |
| Distributions on Exchangeable Units | 17 | **(74,540)** | (73,551) |

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

| ($ thousands) | Note | As at March 31, 2024 | As at December 31, 2023 |
|---|---|---|---|
| Notes receivable | 8 | $ 74,210 | $ 295,851 |
| Other receivables | 9 | 587 | 512 |
| Exchangeable Units | 12 | (5,453,938) | (5,521,222) |
| Accrued liabilities | 13 | (1,419) | (1,050) |
| Distributions payable on Exchangeable Units | 13 | (99,276) | (320,587) |
| Distributions payable on Trust Units | 13 | (3,209) | (3,166) |
| **Due from (to) GWL and subsidiaries** | | $ (5,483,045) | $ (5,549,662) |

## Transactions and Agreements with Loblaw

### Acquisitions

During the three months ended March 31, 2024, Choice Properties acquired from Loblaw one retail property for a purchase price of $38,300, excluding transaction costs.

### 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, 2024, Choice Properties recognized $2,511 of lease surrender revenue from Loblaw (March 31, 2023 - $nil).

### Site Intensification Payments

Choice Properties compensated Loblaw with intensification payments of $nil in connection with completed gross leasable area for which tenants took possession during the three months ended March 31, 2024 (March 31, 2023 - $367).

### Transaction Summary as Reflected in the Consolidated Financial Statements

Loblaw is the largest tenant for Choice Properties, representing approximately 58.3% of Choice Properties' rental revenue for the three months ended March 31, 2024 (March 31, 2023 - 58.1%). Transactions with Loblaw recorded in the consolidated statements of income and comprehensive income were comprised as follows:

| | | Three Months | |
|---|---|---|---|
| ($ thousands) | Note | March 31, 2024 | March 31, 2023 |
| Rental revenue | 15 | $ 196,949 | $ 188,583 |

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

| ($ thousands) | Note | As at March 31, 2024 | As at December 31, 2023 |
|---|---|---|---|
| Rent receivable | 9 | **$ 329** | $ 1,080 |
| Other receivables | 9 | **4,876** | 2,626 |
| Accrued liabilities | 13 | **(8,045)** | (7,428) |
| Construction allowances payable | 13 | **(19,610)** | (26,726) |
| Reimbursed contract payable | 13 | **(297)** | (296) |
| **Due from (to) Loblaw** | | **$ (22,747)** | $ (30,744) |

**Transactions and Agreements with Wittington**

**Management Agreements**
Choice Properties provides Wittington with property management services for certain properties with third-party tenancies and development consulting services on a fee for service basis.

**Trust Unit Distributions**
During the three months ended March 31, 2024, Choice Properties declared cash distributions of $3,108 on the Units held by Wittington (March 31, 2023 - $3,066). As at March 31, 2024, $1,045 of Trust Unit distributions declared were payable to Wittington (December 31, 2023 - $1,031). There were no non-cash distributions settled through the issuance of additional Trust Units during the three months ended March 31, 2024 (December 31, 2023 - $nil).

**Transaction Summary as Reflected in the Consolidated Financial Statements**
Transactions with Wittington recorded in the consolidated statements of income and comprehensive income were comprised as follows:

| | | **Three Months** | |
|---|---|---|---|
| ($ thousands) | Note | **March 31, 2024** | March 31, 2023 |
| Rental revenue | 15 | **$ 399** | $ 391 |
| Fee income | | **63** | 328 |

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

| ($ thousands) | Note | As at March 31, 2024 | As at December 31, 2023 |
|---|---|---|---|
| Rent receivable | 9 | **$ 132** | $ 129 |
| Cost-to-complete receivable | 9 | **4,061** | 4,440 |
| Distributions payable | 13 | **(1,045)** | (1,031) |
| **Due from (to) Wittington and subsidiaries** | | **$ 3,148** | $ 3,538 |

**Transactions and Agreements with other related parties**

**Mortgages receivable**
During the three months ended March 31, 2024, $112,928 of mortgages receivable included within mortgages, loans and notes receivable were to entities in which the Trust has an ownership interest (December 31, 2023 - $114,524).

# Shareholder Information and How to Contact Us

**Choice Properties is Canada's largest Real Estate Investment Trust. We own, operate and develop high-quality commercial and residential properties that are essential to everyday life. Our purpose is to create enduring value by building places where people thrive. For us, this means improving how our tenants and communities come together to live, work, and connect. We are leaders in understanding our stakeholders' needs and managing our properties to the highest standard. We are strongly committed to running our business in a way that fosters healthy, resilient communities and builds social, economic, and environmental sustainability. In everything we do, our exceptional employees are guided by a shared set of values grounded in Care, Ownership, Respect and Excellence.**

Conference Call and Webcast Management will host a conference call on Thursday, April 25, 2024 at 9:00 AM (EDT) with a simultaneous audio webcast. To access via teleconference, please dial (240) 789-2714 or (888) 330-2454 and enter the event passcode: 4788974. The link to the audio webcast will be available on www.choicereit.ca/events-webcasts.

## Annual Meeting of Unitholders

Choice Properties' Annual Meeting of Unitholders will be held on Thursday, April 25, 2024 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://web.lumiagm.com/210624431. 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 & webcasts page at www.choicereit.ca for additional details on the virtual meeting.

## Head Office

Choice Properties Real Estate Investment Trust
The Weston Centre, 700-22 St. Clair Avenue East
Toronto, Ontario M4T 2S5 Tel: 416-628-7771 •
Toll free: 1-855-322-2122 • Fax: 416-628-7777

## 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

TSX Trust Company, P.O. Box 700, Station B,
Montreal, QC, H3B 3K3
Tel: (416) 682-3860 (outside of Canada and US)
Tel toll free: 1-800-387-0825 (Canada and US)
Fax: (514) 985-8843 (outside of Canada and US)
Fax toll free: 1 (888) 249-6189 (Canada and US)
E-Mail: shareholderinquiries@tmx.com
Website: www.tsxtrust.com

## Investor Relations

Tel: 416-628-7771 • Toll free: 1-855-322-2122
Email: investor@choicereit.ca • Website: www.choicereit.ca
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.

## Non-Management Trustees



**Ce rapport est disponible en français.**

# ESG Strategy
# Our Sustainability Focus in Action

**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. We are focused on two core pillars – fighting climate change and strengthening communities to prosper.**


**Read our ESG Report to learn more about our sustainability strategy, initiatives and achievements: choicereit.ca/sustainability.**

## Mount Pleasant Village

10 - 40 Lagerfeld Drive
Brampton, ON

**Development type: Mixed-Use & Residential**
**Rental units: 302**
**Ownership: 50%**
**Completion: Q1 2024**

Mount Pleasant Village harnesses geothermal energy for heating and cooling of the rental tower. This project also pilots low-carbon concrete in an area. This concrete has 30% to 50% reduced embodied carbon compared with standard mixes. The lessons learned from this pilot will inform future projects as we build out our development pipeline.