Places People Thrive™

2025 Second Quarter Report

ChoiceProperties

Who We Are

Choice Properties is a leading Real Estate Investment Trust that creates enduring value through ***places*** where ***people thrive***. We are more than a national owner, operator and developer of high-quality commercial and residential real estate. We believe in creating spaces that enhance how our tenants and communities come together to live, work, and connect. This includes our industry leadership in integrating environmental, social and economic sustainability practices into all aspects of our business. In everything we do, we are guided by a shared set of values grounded in Care, Ownership, Respect and Excellence.

Our Purpose-Driven Strategy

Our financial goals are centered on capital preservation, generating stable and growing cash flows, and delivering appreciation in net asset value and distributions over time. We have a proven strategy and an unmatched foundation that supports these goals. We are focused on:

Maintaining our Market-Leading Portfolio

A high-quality national footprint within local markets, 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.

[i] **Loblaw Companies Limited ("Loblaw")**
(1) **See Section 14, "Non-GAAP Financial Measures", of this MD&A**
(2) **To be read in conjunction with the "Forward-Looking Statements" included in the Notes for Readers located on page 9 of this MD&A**

In This Report

Canada's Premier REIT
Leading where it matters most

Largest in Canada[i]

700+	High-quality properties
68.1M sq. ft.	Across 3 strategic asset classes
$17.6B	Fair value[ii]

Unmatched Necessity-Based Portfolio

83%	Necessity-based retail portfolio[iii]
38M sq. ft.	Grocery-anchored retail portfolio

Strategic Relationship with Canada's Largest Retailer

58%	Loblaw tenancy[iv]
	Relationship with Loblaw provides a unique competitive advantage

One of Canada's Largest Urban Landowners

18M+ sq. ft.	Development pipeline
70+	Sites with future development potential

Industry-Leading Balance Sheet

BBB (High)	DBRS Rating Positive Outlook
BBB+	S&P Rating
7.2x	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] Fair value of investment properties is shown on a proportionate share basis(1)
[iii] Calculated as a % of the retail segment's annualized gross rental revenue on a proportionate share basis(1) as at June 30, 2025 (Section 6)
[iv] Calculated as a % of total annualized gross rental revenue on a proportionate share basis(1) as at June 30, 2025

Social Impact in Action

Uniti at Mount Pleasant Village
10–40 Lagerfeld Drive, Brampton, Ontario

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

At Uniti, Choice Properties and Daniels Gateway Communities bring social impact to life. With affordable, accessible housing certified by the Rick Hansen Foundation, socially procured art, and programs like Artist in Residence, Uniti fosters local economic growth and inclusion, showcasing the transformative power of community-focused development.

Key Performance Indicators
Financial and Operating Performance

Financial Performance

	Q2 2025	Q2 2024	Change
FFO [1]	$0.265 /unit	$0.255 /unit	+3.9%
AFFO [1]	$0.231 /unit	$0.244 /unit	-5.3%
Same-Asset NOI, Cash Basis [1]	$249.3M	$245.9M	+1.4%
Occupancy	97.8%	98.0%	-0.2%

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 Q2 2025

Adjusted Debt [1]	$7.5B
Adjusted Debt to EBITDAFV [1]	7.2x
Weighted Avg. Term to Maturity [i]	6.1 years
Weighted Avg. Interest Rate [i]	4.23%
Unencumbered Assets	$13.5B
Adjusted Debt to Total Assets [1]	40.8%

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

“Choice Properties delivered another solid quarter, reflecting the strength of our portfolio and disciplined financial strategy.

Rael Diamond
President & CEO,
Choice Properties

1632 Lonsdale Avenue, Vancouver, BC

Second Quarter
Financial Highlights[i]

During the three months ended June 30, 2025

Operating

- **Reported a net loss for the quarter of $154.2 million,** compared to net income of $513.2 million in the same prior year period. The loss in the current quarter is primarily due to an unfavourable fair value adjustment to the Trust's Exchangeable Units[ii].
- **Reported FFO[(1)] per unit diluted for the quarter of $0.265,** increased by 3.9% compared to $0.255 in the same prior year period.
- **AFFO[(1)] per unit diluted for the quarter was $0.231,** compared to $0.244 in the same prior year period. The decrease in AFFO[(1)] is primarily due to the earlier commencement of maintenance capital projects in the current year.
- **Same-Asset NOI on a cash basis[(1)] increased by 1.4%** over the same prior year period. Excluding bad debt expense, Same-Asset NOI on a cash basis[(1)] increased by 2.0%.
- **Retail, Industrial, and Mixed-Use & Residential Same-Asset NOI on a cash basis[(1)] increased by 1.7%, 0.2%, and 1.6%, respectively.** Industrial Same-Asset NOI growth was impacted by a bad debt provision reversal in the prior year. Excluding bad debt expense, Industrial Same-Asset NOI on a cash basis[(1)] increased by 4.2%.
- **Period end occupancy remained strong at 97.8%,** with Retail at 97.8%, Industrial at 98.0%, and Mixed-Use & Residential at 95.4%[iii].
- **Net fair value gain on investment properties in the quarter was $91.0 million** on a proportionate share basis[(1)], reflecting changes in leasing assumptions, including the 2026 Loblaw renewals, and adjustments to discount and capitalization rates in the retail portfolio.
- **Subsequent to quarter end, Choice Properties and Loblaw renewed 39 of a tranche of 41 leases expiring in 2026,** comprising 2.52 million of 2.62 million square feet, at a weighted average spread of 8.6% and a weighted average extension term of 5.0 years.

Financing

- **Extended the maturity date of the $1.5 billion credit facility,** from June 13, 2029 to May 21, 2030.
- **Ended the quarter with Adjusted Debt to EBITDAFV[(1)] of 7.2x,** Adjusted Debt to Total Assets[(1)] at 40.8%, and Interest Coverage ratio[(1)] of 3.3x.
- **Maintained a strong liquidity position with $1.3 billion of available credit** and a $13.5 billion pool of unencumbered properties.

Investing

- **The Trust completed $427.1 million of transactions in the quarter:**
  - Acquired an industrial distribution centre in Ajax, ON from Loblaw for $182.9 million. Concurrent with the transaction, the property was leased back to Loblaw.
  - Acquired eight industrial outdoor storage sites located across Canada for $162.0 million.
  - Disposed of nine industrial assets located in Calgary, AB for proceeds of $73.4 million.
  - Acquired a mixed-use parcel in Toronto, ON for $6.0 million and disposed of a retail property in Halifax, NS for $2.8 million.
- **The Trust invested $34.2 million in its development program** during the quarter on a proportionate share basis[(1)].
- **The Trust transferred $13.9 million of properties under development to income producing status,** delivering approximately 30,900 square feet of new commercial GLA (including 6,900 square feet associated with ground leases) through retail intensifications on a proportionate share basis[(1)].

[i] Refer to the Notes for Readers located on page 9 of this MD&A for definitions of capitalized terms
[ii] Exchangeable Units are required to be classified as financial liabilities at fair value through profit and loss under GAAP. They 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's unit price rises and a positive impact when the Trust unit price declines
[iii] Occupancy represents retail and office portion of mixed-use properties; residential units are excluded

3 Strategic Asset Classes
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 "generic" industrial assets in key distribution markets; and transit-oriented mixed-use and residential rental assets concentrated in the most attractive Canadian markets.

Income Producing Properties		Properties	Square Feet	Fair Value[i]
Retail	Predominately necessity-based grocery anchored retail portfolio	568	44.5M	$11.5B
Industrial	Flexible well-located industrial portfolio	124	21.8M	$4.4B
Mixed-Use & Residential	Transit oriented mixed-use and residential portfolio	11	1.8M[ii]	$0.9B

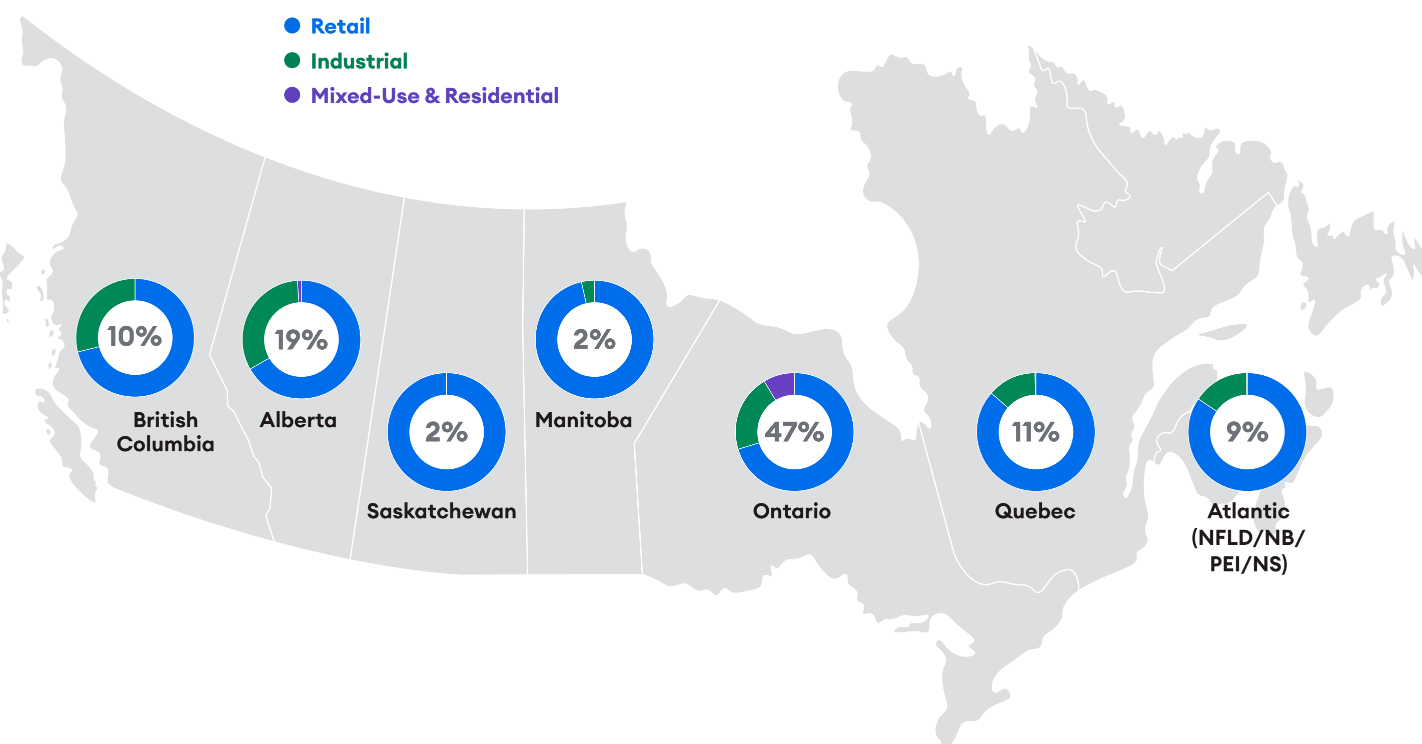
Properties Under Development

42 Projects

18.1M Square Feet

$0.8B Fair Value[i]

Percentage of NOI by Province[iii]



[i] Fair value of investment properties is shown on a proportionate share basis[(1)]
[ii] 1.8 million sq. ft. of GLA includes 0.7 million sq. ft. associated with Choice Properties' 923 residential units
[iii] Calculated as a % of total NOI on a proportionate share[(1)] cash basis for the three months ended June 30, 2025

Bringing Our Purpose to Life
High quality tenants provide cash flow stability

Long-Term Leases

Weighted Average Lease Term

Loblaw	Ancillary	Total
6.3 years	5.4 years	5.9 years

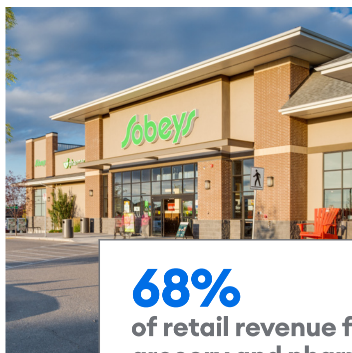
Choice's Top 5 Tenants
% Revenue[i]

1	Loblaw	57.5%
2	Canadian Tire	1.7%
3	Dollarama	1.2%
4	TJX Companies	1.1%
5	Goodlife	1.0%

Strong Necessity-Based Retail Anchor Tenants

65%
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

83%
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 Canada Cartage
3 Amazon
4 Wonderbrands
5 Pet Valu
6 TEN Canada
7 NFI IPD
8 Uline Canada Corporation
9 Alberta Gaming, Liquor and Cannabis
10 Kimberly-Clark

36%
Loblaw gross industrial revenue[ii]

2755 190th Street, Surrey, BC

[i] Calculated on total annualized gross rental revenue of all segments on a proportionate share basis[(1)] as at June 30, 2025
[ii] Calculated on the segment's annualized gross rental revenue on a proportionate share basis[(1)] as at June 30, 2025 (Section 6)

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

Square Feet[i]	In Planning	Zoned & Ready	Active		Total
Total	7.3M	9.7M	1.1M	▶	18.1M
Retail	—	0.2M	0.3M	▶	0.5M
Industrial	—	4.2M	0.8M	▶	5.0M
Mixed-Use & Residential	7.3M	5.3M	—	▶	12.6M

[i] At the Trust's share

A Hub of Innovation and Opportunity

Choice Caledon Business Park
5762 Mayfield Road
Caledon, Ontario

Development type: Industrial
Property GLA: 6,000,000 sq. ft.
Ownership: 85%

Choice Caledon Business Park is one of our landmark industrial developments. In 2024, Choice Properties, with its partner Rice Group, proudly broke ground on a state-of-the-art 624,000 sq. ft. distribution and fulfillment facility for National Logistics Services. The facility integrates cutting-edge robotics and energy-efficient systems, reflecting a commitment to operational excellence and environmental responsibility.

The new fulfillment centre is set to create over 300 jobs, bolstering the local economy and fostering meaningful opportunities for Caledon area residents. This partnership underscores Choice Properties' commitment to strengthening communities.

Environmental, Social and Governance
Bringing tenants and communities together

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

Industrial Excellence and Sustainability

Choice Industrial Centre
18899 24th Avenue
Surrey, British Columbia

Asset class type: Industrial
Property GLA: 353,500 sq. ft.

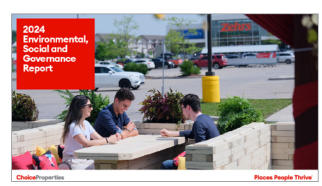
Choice Industrial Centre is our first industrial development in Campbell Heights, offering a first-class industrial distribution facility featuring unprecedented 40' clear ceiling height in the hub of the Fraser Valley. The development achieved LEED Gold Certification, which included sustainability measures to reduce energy demand, greenhouse gas emissions, and demand for outdoor and indoor water use. The building design includes improved building envelope and a packaged heat pump system with back-up gas instead of a typical gas-fired make-up air unit.

Omnibus Agreement with Loblaw

Amended 280+ leases in collaboration with Loblaw to implement energy and water savings measures

2024 Gold Level Certification

2024 Green Lease Leaders



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

Management's Discussion and Analysis
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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 and six months ended June 30, 2025 and accompanying notes ("Q2 2025 Financial Statements") when reading this Management's Discussion and Analysis ("MD&A") as well as the Trust's Audited Financial Statements and MD&A for the year ended December 31, 2024. In addition, this MD&A should be read in conjunction with the Trust's "Forward-Looking Statements" as listed below. Choice Properties' Q2 2025 Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "GAAP") and were authorized for issuance by the Board of Trustees ("Board").

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

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

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

Choice Properties' expectation of operating and financial performance is based on certain assumptions, including assumptions about the Trust's future growth potential, prospects and opportunities, industry trends, future levels of indebtedness, tax laws, economic conditions and competition. Management's estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. Choice Properties can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

Numerous risks and uncertainties could cause the Trust's actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in Section 11, "Enterprise Risks and Risk Management" of this MD&A and the Trust's Annual Information Form ("AIF") for the year ended December 31, 2024. Selected highlights of such risks and uncertainties include:

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

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

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

Additional risks and uncertainties are discussed in Choice Properties' materials filed with the Canadian securities regulatory authorities from time to time, including without limitation, the Trust's AIF for the year ended December 31, 2024. 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 June 30, 2025, 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 July 17, 2025, unless otherwise noted.

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

1. KEY PERFORMANCE INDICATORS AND SELECTED FINANCIAL INFORMATION

Choice Properties has identified key financial and operating performance indicators that were derived from, and should be read in conjunction with, the unaudited interim period condensed consolidated financial statements of the Trust for the three and six months ended June 30, 2025 and 2024. 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 June 30 ($ thousands except where otherwise indicated)		2025		2024
Number of income producing properties		703		702
GLA (in millions of square feet)(i)(ii)		68.1		65.9
Occupancy*(i)		97.8 %		98.0 %
Total assets (GAAP)	$	17,724,399	$	17,647,585
Total liabilities (GAAP)	$	13,202,679	$	12,748,762
Rental revenue (GAAP)	$	350,779	$	335,388
Net (loss) income	$	(154,247)	$	513,231
Net (loss) income per unit diluted	$	(0.213)	$	0.709
FFO(1) per unit diluted*	$	0.265	$	0.255
FFO(1) payout ratio*		72.7 %		74.4 %
AFFO(1) per unit diluted*	$	0.231	$	0.244
AFFO(1) payout ratio*		83.5 %		77.9 %
Distribution declared per unit	$	0.193	$	0.190
Net Asset Value ("NAV")(1) per unit	$	14.38	$	13.79
Weighted average number of units outstanding – diluted(iii)		723,810,797		723,659,539
Adjusted debt to total assets(1)(iv)*		40.8 %		42.2 %
Debt service coverage(1)(iii)*		3.0x		3.0x
Adjusted debt to EBITDAFV(1)(iv)(v)*		7.2x		7.6x
Indebtedness(vi) – weighted average term to maturity*		6.1 years		6.0 years
Indebtedness(vi) – weighted average interest rate*		4.23 %		4.12 %

* Denotes a key performance indicator

(i) Includes 3,067,000 sq. ft. that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases (June 30, 2024 - 1,865,000 sq. ft.).
(ii) GLA includes 0.7 million sq. ft. associated with Choice Properties' 923 residential units.
(iii) Includes Trust Units and Exchangeable Units.
(iv) Debt ratios exclude Exchangeable Units, see Section 4, "Liquidity and Capital Resources". The ratios are non-GAAP financial measures calculated based on the Trust Indentures, as supplemented.
(v) Adjusted debt to EBITDAFV, net of cash(1) was 7.1x as at June 30, 2025 and 6.9x as at June 30, 2024.
(vi) 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 June 30, 2025			As at December 31, 2024		
($ 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	$ 15,821,000	$ 1,827,000	$ 17,648,000	$ 15,331,000	$ 1,790,000	$ 17,121,000
Equity accounted joint ventures	882,895	(882,895)	—	884,431	(884,431)	—
Financial real estate assets	200,843	(200,843)	—	199,374	(199,374)	—
Residential development inventory	2,095	—	2,095	2,095	—	2,095
Mortgages, loans and notes receivable	432,919	(580)	432,339	720,205	(94,307)	625,898
Investment in real estate securities	202,645	—	202,645	202,526	—	202,526
Intangible assets	12,464	—	12,464	12,964	—	12,964
Accounts receivable and other assets	144,178	20,023	164,201	105,594	16,181	121,775
Assets held for sale	—	—	—	35,955	—	35,955
Cash and cash equivalents	25,360	31,854	57,214	63,388	33,838	97,226
Total Assets	$ 17,724,399	$ 794,559	$ 18,518,958	$ 17,557,532	$ 661,907	$ 18,219,439
Liabilities and Equity						
Long term debt	$ 6,621,420	$ 728,813	$ 7,350,233	$ 6,684,940	$ 599,628	$ 7,284,568
Credit facility	196,453	—	196,453	—	—	—
Exchangeable Units	5,885,346	—	5,885,346	5,283,750	—	5,283,750
Trade payables and other liabilities	499,460	65,746	565,206	689,042	62,279	751,321
Total Liabilities	13,202,679	794,559	13,997,238	12,657,732	661,907	13,319,639
Equity						
Unitholders' equity	4,521,720	—	4,521,720	4,899,800	—	4,899,800
Total Equity	4,521,720	—	4,521,720	4,899,800	—	4,899,800
Total Liabilities and Equity	$ 17,724,399	$ 794,559	$ 18,518,958	$ 17,557,532	$ 661,907	$ 18,219,439

Balance Sheet Analysis (GAAP Basis)

Line Item	$ Change	Variance Commentary
Investment properties and assets held for sale	$ 454,045	The increase was primarily due to acquisitions of $378.5 million, a favourable fair value adjustment on investment properties of $123.4 million, and capital and leasing expenditures of $65.2 million. The increase was partially offset by dispositions of $76.3 million.
Equity accounted joint ventures	(1,536)	The decrease was primarily due to net distributions received from joint ventures including the proceeds from recent net dispositions, partially offset by income earned from equity accounted joint ventures.
Mortgages, loans and notes receivable	(287,286)	The decrease was primarily due to the repayment of GWL's prior year outstanding notes receivable balance of $299.8 million and net mortgages and loans receivable repayments of $138.9 million, partially offset by $151.4 million of notes receivable advanced to GWL in the current year.
Investment in real estate securities	119	The increase was due to a fair value gain of $0.1 million in the period resulting from the increase in the price of Allied's publicly traded units.
Working capital, cash and cash equivalents	190,138	The net increase was primarily due to the reduction in the Exchangeable Units distribution payable to GWL upon settlement against prior year's notes receivable balance, partially offset by the distributions deferred in the current year.
Long term debt and Credit Facility	132,933	The increase was primarily due to the issuance of the $300.0 million Series V senior unsecured debentures and the draw of $200.0 million on the Trust's credit facility, partially offset by the repayment of the $350.0 million Series J senior unsecured debentures.
Exchangeable Units	601,596	As this liability is measured at fair value, the change was due to the increase in the Trust's unit price since December 31, 2024.
Unitholders' equity	(378,080)	The decrease was primarily due to the year-to-date net loss, as well as 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.

The following continuity schedule presents Choice Properties' investment properties on a GAAP basis and inclusive of its proportionate share ownership in equity accounted joint ventures and financial real estate assets for the three months ended June 30, 2025:

	Income Producing Properties			Properties Under Development			Total Investment Properties	
For the three months ended June 30, 2025 ($ 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]	**GAAP Basis**	**Proportionate Share Basis[1]**
Balance, beginning of period	$ 15,168,000	$ 1,260,000	$ 16,428,000	$ 253,000	$ 541,000	$ 794,000	**$ 15,421,000**	**$ 17,222,000**
Acquisitions of investment properties[i]	344,833	6,008	350,841	—	—	—	**344,833**	**350,841**
Capital expenditures								
Development capital[ii][iii]	—	2,600	2,600	16,390	15,759	32,149	**16,390**	**34,749**
Building improvements	1,116	—	1,116	—	—	—	**1,116**	**1,116**
Capitalized interest[iv]	—	—	—	1,046	1,029	2,075	**1,046**	**2,075**
Property capital	12,171	769	12,940	—	—	—	**12,171**	**12,940**
Direct leasing costs	2,316	57	2,373	—	—	—	**2,316**	**2,373**
Tenant improvement allowances	5,487	694	6,181	—	—	—	**5,487**	**6,181**
Amortization of straight-line rent	(570)	1,535	965	—	—	—	**(570)**	**965**
Transfers from properties under development	8,930	5,000	13,930	(8,930)	(5,000)	(13,930)	**—**	**—**
Dispositions	(76,275)	—	(76,275)	—	—	—	**(76,275)**	**(76,275)**
Adjustment to fair value of investment properties	91,992	(4,663)	87,329	1,494	2,212	3,706	**93,486**	**91,035**
Balance, as at June 30, 2025	**$ 15,558,000**	**$ 1,272,000**	**$ 16,830,000**	**$ 263,000**	**$ 555,000**	**$ 818,000**	**$ 15,821,000**	**$ 17,648,000**

(i) Includes acquisition costs.
(ii) Development capital for income producing properties represents development expenditure after the transfer of a project.
(iii) Development capital for properties under development includes $425 of site intensification payments paid to Loblaw for the three months ended June 30, 2025.
(iv) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.23% for the three months ended June 30, 2025.

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.

The following continuity schedule presents Choice Properties' investment properties on a GAAP basis and inclusive of its proportionate share ownership in equity accounted joint ventures and financial real estate assets for the six months ended June 30, 2025:

	Income Producing Properties			Properties Under Development			**Total Investment Properties**	
For the six months ended June 30, 2025 ($ 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]	**GAAP Basis**	**Proportionate Share Basis[1]**
Balance, beginning of period	$ 15,086,000	$ 1,265,000	$ 16,351,000	$ 245,000	$ 525,000	$ 770,000	**$ 15,331,000**	**$ 17,121,000**
Acquisitions of investment properties[i]	378,530	6,008	384,538	—	—	—	**378,530**	**384,538**
Capital expenditures								
Development capital[ii][iii]	—	2,681	2,681	36,491	36,640	73,131	**36,491**	**75,812**
Building improvements	1,403	113	1,516	—	—		**1,403**	**1,516**
Capitalized interest[iv]	—	—	—	2,155	3,039	5,194	**2,155**	**5,194**
Property capital	12,600	1,732	14,332	—	—	—	**12,600**	**14,332**
Direct leasing costs	3,775	209	3,984	—	—	—	**3,775**	**3,984**
Tenant improvement allowances	8,814	1,629	10,443	—	—	—	**8,814**	**10,443**
Amortization of straight-line rent	(937)	2,901	1,964	—	—	—	**(937)**	**1,964**
Transfers from properties under development	18,140	9,200	27,340	(18,140)	(9,200)	(27,340)	**—**	**—**
Dispositions	(76,275)	(20,030)	(96,305)	—	(5,491)	(5,491)	**(76,275)**	**(101,796)**
Adjustment to fair value of investment properties	125,950	2,557	128,507	(2,506)	5,012	2,506	**123,444**	**131,013**
Balance, as at June 30, 2025	**$ 15,558,000**	**$ 1,272,000**	**$ 16,830,000**	**$ 263,000**	**$ 555,000**	**$ 818,000**	**$ 15,821,000**	**$ 17,648,000**

(i) Includes acquisition costs.
(ii) Development capital for income producing properties represents development expenditure after the transfer of a project.
(iii) Development capital includes $3,215 of site intensification payments paid to Loblaw for the six months ended June 30, 2025.
(iv) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.23% for the six months ended June 30, 2025.

During the six months ended June 30, 2025, the Trust disposed of two retail properties classified as assets held for sale as at December 31, 2024 (see Section 3.2, "Investment Property and Other Transactions").

3.1 Valuation Method

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

The portfolio is internally valued with external appraisals performed each quarter for a portion of the portfolio. The majority of the properties will be subject to an external appraisal at least once over a four-year period. When an external valuation is obtained, the internal valuation team assesses all major inputs used by the independent 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 properties held within equity accounted joint ventures) are listed below by asset class:

As at June 30, 2025	**Retail**	**Industrial**	**Mixed-Use & Residential**	**Total Investment Properties**
Discount rate	**7.29%**	**6.72%**	**5.88%**	**7.07%**
Terminal capitalization rate	**6.53%**	**5.89%**	**5.22%**	**6.29%**
Overall capitalization rate	**6.31%**	**5.58%**	**4.94%**	**6.05%**
As at December 31, 2024	**Retail**	**Industrial**	**Mixed-Use & Residential**	**Total Investment Properties**
Discount rate	7.32%	6.71%	5.77%	7.07%
Terminal capitalization rate	6.56%	5.88%	5.21%	6.31%
Overall capitalization rate	6.34%	5.59%	4.93%	6.06%

Valuation Commentary

For the three months ended June 30, 2025, the Trust recorded a favourable adjustment of $93.5 million on a GAAP basis and a favourable adjustment of $91.0 million on a proportionate share basis[1] to the value of investment properties. Fair value adjustments for the three months reflected changes in leasing assumptions, including the 2026 Loblaw renewals, and adjustments to discount and capitalization rates in the retail portfolio.

For the six months ended June 30, 2025, the Trust recorded a favourable adjustment of $123.4 million on a GAAP basis and a favourable adjustment of $131.0 million on a proportionate share basis[1] to the value of investment properties. Fair value adjustments for the six months reflected updates to market leasing assumptions, including the 2026 Loblaw renewals, and adjustments to discount and capitalization rates in the retail and industrial portfolios.

3.2 Investment Property and Other Transactions

Acquisition of Investment Properties

The following table summarizes the investment properties acquired in the six months ended June 30, 2025:

($ thousands except where otherwise indicated)						Consideration	
Property / Location	**Date of Acquisition**	**Segment**	**Ownership Interest Acquired**	**GLA (square feet)**	**Purchase Price incl. Related Costs**	**Cash**	**Deferred Consideration**
Investment property							
Acquisitions from related parties							
35 Worthington Ave., Brampton, ON	Feb 4	Retail	100%	119,012	$ 33,697	$ 33,697	$ —
500 Bayly St. E, Ajax, ON(i)	Apr 3	Industrial	100%	1,058,256	182,871	165,471	17,400
Acquisitions from related parties				**1,177,268**	**216,568**	**199,168**	**17,400**
Acquisition from third parties							
Portfolio of 8 assets across Canada(ii)	Apr 17	Industrial	100%	293,000	161,962	161,962	—
Acquisition from third parties				**293,000**	**161,962**	**161,962**	**—**
Equity accounted joint ventures							
555 Yonge St., Toronto, ON	Jun 10	Mixed-Use & Residential	50%	3,357	6,008	6,008	—
Acquisition in equity accounted joint ventures				**3,357**	**6,008**	**6,008**	**—**
Total acquisition of investment property				**1,473,625**	**$ 384,538**	**$ 367,138**	**$ 17,400**

(i) Consideration includes an accrued amount of $17,400 expected to be paid in H2-2025.
(ii) GLA represents the building area on properties where the Trust leased the underlying sites to the tenants through ground leases.

Dispositions of Investment Properties

The following table summarizes the investment properties sold in the six months ended June 30, 2025:

($ 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						
172 Chain Lake Dr., Halifax, NS	Apr 24	Retail	100%	8,910	$ 2,850	$ 2,850
Portfolio of 9 assets in Calgary, AB	Jun 9	Industrial	100%	497,436	73,425	73,425
Dispositions of investment properties				**506,346**	**76,275**	**76,275**
Assets held for sale						
6750-6800 rue Jean-Talon E, Montreal, QC	Jan 31	Retail	100%	80,223	28,585	$ 28,585
15820-15830 Bayview Ave., Aurora, ON(i)	Jan 31	Retail	100%	18,825	7,370	7,370
Dispositions of assets held for sale				**99,048**	**35,955**	**35,955**
Equity accounted joint ventures						
Aurora Market Place, Aurora, ON(ii)	Jan 31	Retail	50%	38,072	17,565	17,565
Harvest Hills Market, Edmonton, AB(iii)	Feb 28	Retail (Land Parcel)	50%	8,624	7,956	7,956
Dispositions in equity accounted joint ventures				**46,696**	**25,521**	**25,521**
Total dispositions of investment properties				**652,090**	**$ 137,751**	**$ 137,751**

(i) Cash consideration included a fee paid by Wittington of $1,370.
(ii) Cash consideration included a fee paid by Wittington of $1,315.
(iii) GLA represents the building area on properties where the Trust leased the underlying sites to the tenants through ground leases.

3.3 Completed Developments

For the six months ended June 30, 2025, Choice Properties completed a total of $24.5 million in development projects delivering 128,500 square feet of retail space (including 79,500 square feet associated with ground leases) with a weighted average yield of 7.2%.

The Trust delivered seven retail developments including two Shoppers Drug Mart stores, one value retailer, eight quick service restaurants, and three ground leases.

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.

For the six months ended June 30, 2025, 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)	Costs incurred at substantial completion	Expected costs to complete	Expected total costs	Expected stabilized yield(2) (i)
Commercial							
Retail							
Sunwapta West, Building 2A & 2B, Edmonton, AB	Q1 2025	50 %	8,000	$ 4,107	$ —	$ 4,107	5.7 % (iii)
3050 Argentia Rd., Mississauga, ON	Q1 2025	100 %	17,000	6,183	10	6,193	6.3 %
211 Bell Blvd., Belleville, ON(ii)	Q1 2025	100 %	72,600	2,210	97	2,307	9.9 % (iii)
291-295 Hwy #214, Elmsdale, NS	Q2 2025	100 %	17,000	5,165	1,171	6,336	7.0 %
2132 & 2136 McPhillips St., Winnipeg, MB(ii)	Q2 2025	100 %	2,100	841	—	841	11.9 % (iv)
Harvest Hills Market, Building 5 & 9, Edmonton, AB	Q2 2025	50 %	7,000	3,679	187	3,866	7.3 % (iv)
10527–101 Ave., Lac la Biche, AB(ii)	Q2 2025	100 %	4,800	783	20	803	8.7 %
Total transferred properties at cost			**128,500**	**$ 22,968**	**$ 1,485**	**$ 24,453**	**7.2 %**
Total transferred properties at fair value				**$ 27,340**			

(i) Unless otherwise noted, there were no material changes in previously reported expected stabilized yield.
(ii) This development includes a ground lease.
(iii) Expected stabilized yield for this development has decreased due to higher costs.
(iv) Expected stabilized yield for this development has increased due to lower costs.

3.4 Development Activities

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

Choice Properties' development program on a proportionate share basis[1] as at June 30, 2025 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 costs to completion[2][iv]**	**Estimated total**
Projects under active development						
Retail	3.5	16	300,000	$ 18,619	$ 90,840	$ 109,459
Industrial	3.5	1	829,000	95,868	117,616	213,484
Residential[v]		1	—	2,095	—	2,095
Subtotal projects under active development		**18**	**1,129,000**	**116,582**	**208,456**	**325,038**
Developments in planning						
Retail	3.6	9	160,000	21,029		
Industrial	3.6	2	4,230,000	235,453		
Mixed-Use & Residential	3.6	13	12,615,000	175,526		
Subtotal developments in planning		**24**	**17,005,000**	**432,008**		
Total development - cost		**42**	**18,134,000**	**$ 548,590**		
Total development - fair value[vi]				**$ 818,000**		

(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 35% during 2025 and the remainder thereafter.
(v) Active residential represents the remaining units of the condominium portion of the Trust's Mount Pleasant Village development project, in which the Trust owns a 50% interest. This project is included within residential development inventory.
(vi) Total development fair value excludes residential development inventory of $2,095 as at June 30, 2025 (December 31, 2024 - $2,095).

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 18 active developments comprised of 16 retail, one industrial and one residential. Upon completion, the projects under active development are expected to deliver a total of 1,129,000 square feet of commercial space (including 93,000 square feet associated with ground leases). The Trust has invested a total of $116.6 million to date and is expected to invest an additional $208.5 million over the next 12-24 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 300,000 square feet at share of active retail development (including 93,000 square feet associated with ground leases), which is expected to be completed in the next 12-24 months(2).

The following table details the Trust's retail projects under active development on a proportionate share basis(1) as of June 30, 2025:

($ 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 costs to completion(2)	Estimated total	Expected stabilized yield(2)(iv)
	Retail								
1	Harvest Hills Market, Building 8, Edmonton, AB(v)	50 %	H2 2025	2,000	100 %	$ 314	$ 757	$ 1,071	7.25%-7.75%
2	Erin Ridge Shopping Centre, Building 16, St. Albert, AB(v)	50 %	H2 2025	5,000	100 %	1,343	745	2,088	7.75%-8.25%
3	550 Kenaston Blvd., Winnipeg, MB(vi)	50 %	H2 2025	1,000	100 %	1	288	289	18.75%-19.25%
4	4420–52nd Ave., Whitecourt, AB	100 %	H2 2025	17,000	100 %	71	6,616	6,687	6.75%-7.25%
5	410 Baseline Rd., Sherwood Park, AB(vi)	100 %	H2 2025	2,000	100 %	106	1,002	1,108	11.00%-11.50%
6	Langstaff & Hwy. 27, Woodbridge, ON	100 %	H2 2025	17,000	100 %	5,552	3,837	9,389	6.00%-6.50%
7	2211 20th Sideroad Rd., Innisfil, ON(vi)	100 %	H2 2025	20,000	100 %	272	993	1,265	9.00%-9.50%
8	12035 Highway 17E, Sturgeon Falls, ON	100 %	H2 2025	17,000	100 %	55	6,159	6,214	5.75%-6.25%
9	3050 Vega Blvd., Mississauga, ON	100 %	H2 2025	44,000	100 %	7,936	13,421	21,357	4.50%-5.00%
10	4270 Innes Rd., Ottawa, ON(vi)	100 %	H1 2026	5,000	100 %	35	243	278	41.25%-41.75%
11	680 O'Brien Rd., Renfrew, ON	100 %	H1 2026	17,000	100 %	136	7,179	7,315	7.25%-7.75%
12	657 John St. N, Aylmer, ON	100 %	H1 2026	17,000	100 %	131	7,710	7,841	7.25%-7.75%
13	1048 Midland Ave., Kingston, ON(vi)	100 %	H1 2026	65,000	100 %	30	2,106	2,136	27.25%-27.75%
14	3850 Cambrian Rd., Ottawa, ON	100 %	H1 2026	37,000	100 %	2,509	22,569	25,078	5.75%-6.25%
15	1641 & 1675 Jane St., North York, ON	100 %	H2 2026	17,000	100 %	63	9,918	9,981	4.75%-5.25%
16	5251 Country Hills Blvd. NW, Calgary, AB	100 %	H2 2026	17,000	100 %	65	7,297	7,362	5.75%-6.25%
	Total retail developments			**300,000**		**$ 18,619**	**$ 90,840**	**$ 109,459**	**6.25%-6.75%**

(i) Choice Properties' share.
(ii) Compiled on a non-GAAP proportionate share basis(1). Investment to-date was compiled on a cash basis, excluding adjustments to fair value of on-going projects.
(iii) H1 represents the first six months of the year. H2 represents the last six months of the year.
(iv) Unless otherwise noted, there were no material changes in previously reported expected stabilized yields.
(v) Development project with phased completion. Reported expected stabilized yield may vary as phases are completed or as future phases are added to the development.
(vi) This development includes a ground lease.

Projects Under Active Development – Industrial

The Trust invests in industrial development projects through development of greenfield industrial land. The Trust currently has one active development project, which is expected to deliver 829,000 square feet at share 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 June 30, 2025:

($ 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 costs to completion[2]	Estimated total	Expected stabilized yield[2][iv]
Industrial								
1 Choice Caledon Business Park - Building H, Caledon, ON[v]	85 %	H2 2025	829,000	64 %	$ 95,868	$ 117,616	$ 213,484	6.75%-7.25%
Total industrial developments			**829,000**		**$ 95,868**	**$ 117,616**	**$ 213,484**	**6.75%-7.25%**

(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 includes an expansion option to the tenant for the entirety of the space. The expansion space is expected to be completed in H1 2027, should the tenant so elect.

At Choice Caledon Business Park, the Trust expects to construct eight state-of-the-art, multi-use industrial buildings in four phases. The first phase, a Loblaw distribution centre, was completed in Q4 of 2024. Building H, the first building of Phase 2 is leased to National Logistics Services, a leading Canadian logistics provider, with rent commencement expected in the second quarter of 2026[2]. The remaining phases are expected to be completed over the next 60 months[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 in various stages of planning, which collectively are expected to drive meaningful net asset value growth in the future. The Trust continues to advance the rezoning status for several mixed-use sites currently in different stages of the rezoning and planning process.

As of June 30, 2025, the Trust has identified 24 sites with potential for future development. This includes 9 opportunities totalling 160,000 square feet at existing retail sites, two industrial sites totalling 4,230,000 square feet, and 13 residential and mixed-use projects totalling 12,615,000 square feet and 15,306 residential units (at the Trust's share). The development plan for each property is subject to completion of the Trust's full review of each opportunity. The expected project scope may change over time or the Trust may decide not to proceed with that development upon completion of full due diligence. To date, the Trust has invested a total of $432.0 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	**9**	**$ 21,029**

(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**	**$ 235,453**

(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. The 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 $90.0 million in total or $76.4 million at share. The remainder of the development is expected to consist of warehouse, distribution, and industrial uses totalling approximately 4.2 million square feet on 205 net developable acres (at 100% share). The Trust has invested $201.1 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 second phase is anticipated to be approximately 0.8 million total square feet (at 100% share). The Trust has invested $34.4 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 create additional value by pursuing ground up development, repositioning existing retail and maximizing available density for residential and mixed-use development. Choice Properties is working through the zoning and entitlement process for several of its future projects.

The Trust has obtained zoning approval on six residential and mixed-use developments and has submitted applications for five residential and mixed-use projects. A total of $175.5 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) (000s square feet)			
Project / Location	Type	Ownership %	Acreage(i)	Estimated number of units(i)	Commercial	Residential	Total	Investment to-date (i)(iii)
Zoning approved								
1 Carlaw Ave., Toronto, ON	Mixed-Use	100 %	5.6	1,080	84	993	1,077	$ 7,995
2 Golden Mile, Toronto, ON	Mixed-Use	100 %	19.0	3,597	323	2,907	3,230	22,655
3 Grenville & Grosvenor, Toronto, ON	Residential	50 %	0.5	385	17	320	337	37,833
4 Parkway Forest Dr., Toronto, ON	Residential	50 %	1.5	191	—	120	120	2,870
5 Sheppard Ave. W, Toronto, ON	Residential	50 %	0.3	100	5	64	69	6,997
6 Woodbine Ave., Toronto, ON	Mixed-Use	100 %	1.7	601	38	422	460	10,738
Subtotal zoning approved			**28.6**	**5,954**	**467**	**4,826**	**5,293**	**89,088**
Zoning applications submitted								
1 Broadview Ave., Toronto, ON	Mixed-Use	100 %	3.3	503	23	409	432	4,508
2 Dundas St. W, Toronto, ON	Mixed-Use	100 %	13.0	1,923	178	1,477	1,655	47,565
3 North Rd., Coquitlam, BC	Mixed-Use	100 %	7.8	2,470	110	1,765	1,875	7,639
4 Photography Dr., Toronto, ON	Mixed-Use	100 %	7.7	2,356	50	2,010	2,060	5,286
5 Warden Ave., Toronto, ON	Mixed-Use	100 %	6.5	2,100	10	1,290	1,300	15,346
Subtotal zoning applications submitted			**38.3**	**9,352**	**371**	**6,951**	**7,322**	**80,344**
Zoning applications to be submitted								
1 Lower Jarvis, Toronto, ON	Mixed-Use	100 %	4.1	—	—	—	—	3,540
2 South Service Rd., Mississauga, ON	Mixed-Use	100 %	10.4	—	—	—	—	2,554
Subtotal zoning applications to be submitted			**14.5**	**—**	**—**	**—**	**—**	**6,094**
Total mixed-use & residential projects in planning			**81.4**	**15,306**	**838**	**11,777**	**12,615**	**$ 175,526**

(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 three mixed-use and three residential developments in Toronto, Ontario. As of June 30, 2025, the Trust has invested a total of $89.1 million to date on land acquisition and initial development and planning costs.

Project / Location	Description
Carlaw Avenue, Toronto, ON	During the second quarter of 2024, Choice Properties entered into an agreement with the Province of Ontario (the "Province") to facilitate the construction of a transit station at its Carlaw Avenue property. In partnership with the Province, Choice Properties has developed a concept for the future transit-oriented community at this site, located at the northeast corner of Gerrard Street East and Carlaw Avenue. The approximately 5.6 acre site 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 commenced in 2024 and is expected to continue through 2030 and beyond(2), at which point Choice Properties will begin construction on the residential towers. During the second quarter of 2025, the Province issued a Ministerial Zoning Order for the site, providing zoning permissions consistent with the proposed concept. While the site remains under the Province's control, it is expected to be returned to the Trust once the transit station is complete. At that time, the Trust will advance site plan approvals and detailed design in preparation for future development.
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). Approximately one third of the residential units will be affordable housing units(2).
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 380 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 and Zoning By-law Amendment have been approved by the City of Toronto.
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).
Woodbine Avenue, Toronto, ON	The approximately 1.7 acres 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. Toronto City Council has approved the redevelopment of the site into a mixed-use project. The approved plan includes a new at-grade grocery store, a theatre, and a preschool. The project will feature two residential buildings of 35 and 10 storeys, comprising approximately 600 purpose-built rental units. This includes 12 affordable units and 14 replacement units for existing tenants, aligning the development with community and housing objectives. The design of this project will incorporate the urban design significance of the Danforth neighbourhood and sustainable architecture. It will improve the public realm through the addition of a significant privately owned public open space on Woodbine Avenue and the widening of both Danforth Avenue and Woodbine Avenue. Zoning approval was achieved during the fourth quarter of 2024.

Zoning Applications Submitted

Choice Properties has submitted zoning applications for five mixed-use developments in Toronto, Ontario and Coquitlam, British Columbia. As of June 30, 2025, the Trust has invested a total of $80.3 million to date on land acquisition and initial development and planning costs.

Project / Location	Description
Broadview Avenue, Toronto, ON	The approximately 3.3 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.
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, 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 including a public park. 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 Official Plan, Rezoning, Plan of Subdivision and Site Plan Applications have been submitted to the City of Toronto.
North Road, Coquitlam, BC	The approximately 7.8 acre site is located at the southeast corner of North Road and Austin Avenue in Coquitlam. The Master Development Plan proposes the redevelopment of the existing Cariboo Centre into a diverse range of housing, retail, public amenity space, and childcare over four phases. The overall project, upon completion, will see a total of approximately 2,500 new homes through both market residential and rental in six towers, along with approximately 110,000 square feet of retail space within commercial podiums, including a new food store and a drug store within Phase 1 and a daycare in both Phases 1 and 4. In addition, the overall project will deliver approximately 26,000 square feet of public plaza. The Master Development Plan was submitted to the City of Coquitlam in December 2023 with resubmission in May 2024. The entitlements process associated with the Master Development Plan along with the Development Permit application for Phase 1 continue to progress.
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, within close proximity to several major transit corridors, including the Kitchener GO Line, the 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 Saint Clair Avenue and Warden Avenue in Toronto and 500 meters from the Warden TTC subway station. The current development plan includes approximately 2,100 residential units, over 1.3 million square feet of gross floor area and a proposal for a public park. The Trust has reached a settlement with the City of Toronto and is working to clear conditions prior to the issuance of an Official Plan Amendment and Zoning By-law Amendment.

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.

As at June 30, 2025, the Trust has issued $280,951 (December 31, 2024 - $305,348) of secured mortgages to third-party borrowers. These loans have been extended to borrowers who are strategic partners and counterparties of the Trust and are secured by real property assets.

On January 31, 2025, the Trust advanced a $5,918 mortgage to a joint venture partner. The loan bears interest at a rate of 5.00% and is secured by the partner's portion of an income producing retail property in Richmond Hill, Ontario.

On January 31, 2025, the loan receivable from a development partner and interest accrued thereon totalling $20,868 was settled against the contingent consideration payment owed to the development partner.

On January 31, 2025, a mortgage receivable and interest accrued thereon totalling $114,217 ($19,915 on a proportionate share basis), issued to an entity in which the Trust has an ownership interest, was repaid.

On March 5, 2025, the Trust advanced $15,000 on an existing mezzanine loan to a joint venture partner. The loan bears interest at a rate of prime rate plus 3.55% with a floor rate of 10.00% and is secured by the partner's portion of an income producing residential property in Ottawa, Ontario.

On June 10, 2025, the Trust advanced a $4,954 on an existing mezzanine loan to a joint venture partner. The loan bears interest at a rate of 6.00% and is secured by the partner's portion of an income producing mixed-use & residential property in Toronto, Ontario.

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 six months ended June 30, 2025, GWL elected to receive distributions from Choice Properties Limited Partnership in the form of loans. As such, non-interest bearing short-term notes totalling $151,388 were issued to GWL. Non-interest bearing short-term notes totalling $299,807 with respect to the loans issued in the 2024 fiscal year were settled against distributions payable by the Trust to GWL in January 2025.

					Proportionate Share Basis(1)	
As at June 30, 2025 ($ thousands)		GAAP Basis		Proportionate Share Basis(1)(i)	Weighted average term to maturity (years)	Weighted average interest rate (%)
Mortgages receivable	$	281,531	$	280,951	0.8	7.92 %
Notes receivable from GWL		151,388		151,388	—	— %
Mortgages and notes receivable	$	432,919	$	432,339		

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

					Proportionate Share Basis(1)	
As at December 31, 2024 ($ thousands)		GAAP Basis		Proportionate Share Basis(1)(i)	Weighted average term to maturity (years)	Weighted average interest rate (%)
Mortgages receivable	$	399,655	$	305,348	1.0	8.16 %
Loans receivable		20,743		20,743	0.1	7.00 %
Notes receivable from GWL		299,807		299,807	—	— %
Mortgages, loans and notes receivable	$	720,205	$	625,898		

(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 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 June 30, 2025		As at December 31, 2024		Change $
Cash and cash equivalents - proportionate share basis[1)(i]	**$**	**57,214**	$	97,226	$	(40,012)
Unused portion of the credit facility		**1,300,000**		1,500,000		(200,000)
Liquidity	**$**	**1,357,214**	$	1,597,226	$	(240,012)
Unencumbered assets - proportionate share basis[1]	**$**	**13,452,000**	$	12,982,000	$	470,000

(i) As at June 30, 2025, cash and cash equivalents included $nil of short-term investments (December 31, 2024 - $16,102).

Base Shelf Prospectus

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

4.2 Major Cash Flow Components

For the periods ended June 30 ($ thousands)	Three Months			Six Months		
	2025	2024	Change $	**2025**	2024	Change $
Cash and cash equivalents, beginning of period - GAAP basis	**$ 105,056**	$ 9,702	$ 95,354	**$ 63,388**	$ 252,424	$ (189,036)
Cash flows from operating activities	**160,037**	136,282	23,755	**299,398**	277,874	21,524
Cash flows used in investing activities	**(369,220)**	(79,339)	(289,881)	**(343,451)**	(191,569)	(151,882)
Cash flows from financing activities	**129,487**	552,941	(423,454)	**6,025**	280,857	(274,832)
Cash and cash equivalents, end of period - GAAP basis	**$ 25,360**	$ 619,586	$ (594,226)	**$ 25,360**	$ 619,586	$ (594,226)

Three and Six Months

During the three and six months ended, cash was primarily used for net acquisitions of investment properties, cash distributions paid on Trust Units, capital expenditures, and net mortgages, loans and notes receivable advances. Cash outflows were partially offset by cash generated from credit facility advances and operations.

In addition, for the six month period, cash was used for net repayments of senior unsecured debentures.

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

4.3 Adjusted Cash Flow from Operations ("ACFO")

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

The table below summarizes the ACFO[1] metrics:

For the periods ended June 30 ($ thousands)	Three Months 2025	Three Months 2024	Three Months Change $	Six Months 2025	Six Months 2024	Six Months Change $
Adjusted cash flow from operations[1]	**$ 175,454**	$ 194,575	$ (19,121)	**$ 351,634**	$ 368,480	$ (16,846)
Cash distributions declared	**139,334**	137,492	1,842	**277,455**	273,779	3,676
Cash retained after cash distributions	**$ 36,120**	$ 57,083	$ (20,963)	**$ 74,179**	$ 94,701	$ (20,522)
ACFO[1] payout ratio	**79.4 %**	70.7 %	8.7 %	**78.9 %**	74.3 %	4.6 %

Three and Six Months

ACFO[1] decreased for the three and six months compared to the same prior year periods primarily due to higher leasing and maintenance spend in the current year period, an unfavourable change in working capital, higher interest expense, and lower interest income. The decrease was partially offset by higher net operating income and lower general and administrative expenses. In addition, the decrease for the six months was further offset by higher fee income resulting from the termination of an agreement with a development partner in the first quarter of the current year.

ACFO[1] may fluctuate each quarter due to the timing of maintenance capital spend during the year.

4.4 Distribution Excess / Shortfall Analysis

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

For the periods ended June 30 ($ thousands)	Three Months 2025	Three Months 2024	Three Months Change $	Six Months 2025	Six Months 2024	Six Months Change $
Cash flows from operating activities	**$ 160,037**	$ 136,282	$ 23,755	**$ 299,398**	$ 277,874	$ 21,524
Less: Cash distributions declared	**(139,334)**	(137,492)	(1,842)	**(277,455)**	(273,779)	(3,676)
Excess (Shortfall) of cash flows provided by operating activities over cash distributions declared	**$ 20,703**	$ (1,210)	$ 21,913	**$ 21,943**	$ 4,095	$ 17,848

For the periods ended June 30 ($ thousands)	Three Months 2025	Three Months 2024	Three Months Change $	Six Months 2025	Six Months 2024	Six Months Change $
Adjusted Cash Flow from Operations[1]	**$ 175,454**	$ 194,575	$ (19,121)	**$ 351,634**	$ 368,480	$ (16,846)
Less: Cash distributions declared	**(139,334)**	(137,492)	(1,842)	**(277,455)**	(273,779)	(3,676)
Excess of ACFO after distributions	**$ 36,120**	$ 57,083	$ (20,963)	**$ 74,179**	$ 94,701	$ (20,522)

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

For the periods ended June 30 ($ thousands)	Three Months 2025	Three Months 2024	Three Months Change $	Six Months 2025	Six Months 2024	Six Months Change $
Net (loss) income	**$ (154,247)**	$ 513,231	$ (667,478)	**$ (250,480)**	$ 655,510	$ (905,990)
Add: Distributions on Exchangeable Units included in net interest expense and other financing charges	**76,189**	75,199	990	**151,718**	149,739	1,979
Net (loss) income attributable to Unitholders excluding distributions on Exchangeable Units	**(78,058)**	588,430	(666,488)	**(98,762)**	805,249	(904,011)
Less: Cash distributions declared	**(139,334)**	(137,492)	(1,842)	**(277,455)**	(273,779)	(3,676)
(Shortfall) Excess of net (loss) income attributable to Unitholders, less distributions on Exchangeable Units, over cash distributions declared	**$ (217,392)**	$ 450,938	$ (668,330)	**$ (376,217)**	$ 531,470	$ (907,687)

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

4.5 Components of Total Adjusted Debt

Choice Properties' debt structure was as follows:

As at June 30, 2025 ($ thousands)	GAAP Basis	Proportionate Share Basis[1](i)	Proportionate Share Basis[1] Weighted average term to maturity (years)	Proportionate Share Basis[1] Weighted average interest rate (%)
Construction loans	$ 5,306	$ 106,056	0.8	4.39 %
Credit facility	200,000	200,000	4.9	4.04 %
Less: Debt placement costs	(2,367)	(2,367)		
Less: Translation of US dollar denominated borrowings	(1,180)	(1,180)		
Variable rate debt	201,759	302,509	3.5	4.16%
Senior unsecured debentures	5,350,000	5,350,000	5.2	4.25 %
Mortgages payable	1,286,043	1,921,503	8.7	4.18 %
Less: Debt placement costs, discounts and premiums	(19,929)	(27,326)		
Fixed rate debt	6,616,114	7,244,177	6.1	4.23%
Total adjusted debt, net	$ 6,817,873	$ 7,546,686		

(i) Proportionate share[1] reflects construction loans and mortgages payable within equity accounted joint ventures.

As at December 31, 2024 ($ thousands)	GAAP Basis	Proportionate Share Basis[1](i)	Proportionate Share Basis[1] Weighted average term to maturity (years)	Proportionate Share Basis[1] Weighted average interest rate (%)
Construction loans	$ 5,230	$ 96,994	1.0	5.47 %
Credit facility	—	—	—	— %
Less: Debt placement costs(ii)	—	—		
Variable rate debt	5,230	96,994	1.0	5.47 %
Senior unsecured debentures	5,400,000	5,400,000	5.4	4.20 %
Mortgages payable	1,300,158	1,815,675	8.0	4.12 %
Less: Debt placement costs, discounts and premiums	(20,448)	(28,101)		
Fixed rate debt	6,679,710	7,187,574	6.1	4.18 %
Total adjusted debt, net	$ 6,684,940	$ 7,284,568		

(i) Proportionate share[1] reflects construction loans and mortgages payable within equity accounted joint ventures.
(ii) Unamortized debt placement costs for the credit facility of $2,213 were included in other assets as at December 31, 2024.

Construction Loans
For the purpose of financing the development of certain industrial and mixed-use & residential properties, various investments in equity accounted joint ventures and co-ownerships have variable rate non-revolving construction facilities, in which certain subsidiaries of the Trust guarantee its own share. As at June 30, 2025, the construction loans have a maximum capacity to be drawn at the Trust's ownership interest of $276,225, of which $270,700 relates to equity accounted joint ventures (December 31, 2024 - $276,225 and $270,700, respectively). The construction loans mature throughout 2025 and 2026.

As at June 30, 2025, $106,056 was drawn on the construction loans, of which $100,750 relates to equity accounted joint ventures. The construction loans had a weighted average interest rate of 4.39% and a weighted average term to maturity of 0.8 year (December 31, 2024 - 5.47% and 1.0 year, respectively).

Credit Facility
Choice Properties has a $1,500,000 senior unsecured committed revolving credit facility provided by a syndicate of lenders. During the second quarter of 2025, the Trust extended the maturity date for the credit facility from June 13, 2029 to May 21, 2030.

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

remaining at BBB+. Concurrently with any U.S. dollar draws, the Trust enters into cross currency swaps to exchange its U.S. dollar borrowings into Canadian dollar borrowings. The Trust applies hedge accounting to the cross currency swaps.

As at June 30, 2025, the Trust had U.S. dollar-denominated borrowings totaling $145,529, equivalent to $200,000 Canadian dollars (December 31, 2024 - $nil) and $nil (December 31, 2024 - $nil) in Canadian dollar-denominated borrowings. Concurrent with the draws, the full amount of U.S. dollar-denominated borrowings was exchanged into Canadian dollars. As at June 30, 2025, the credit facility balance was revalued at $198,820 Canadian dollars.

The credit facility contains certain financial covenants. As at June 30, 2025, the Trust was in compliance with all its financial covenants for the credit facility. The credit facility is subject to an annual commitment fee of 0.24% of the undrawn balance.

Senior Unsecured Debentures

On January 10, 2025, the Trust paid in full upon maturity, at par, plus accrued and unpaid interest thereon, the $350 million aggregated principal amount of the 3.55% Series J senior unsecured debentures outstanding. The repayment of the Series J senior unsecured debenture was primarily funded by an advance on the Trust's credit facility.

On January 16, 2025, the Trust completed the issuance, on a private placement basis, of the $300 million aggregated principal amount of Series V senior unsecured debentures bearing interest at a rate of 4.29% per annum and maturing on January 16, 2030. The Trust used the net proceeds to repay certain amounts drawn on its revolving credit facility which were utilized to repay upon maturity its Series J senior unsecured debentures.

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 six months ended June 30, 2025:

	GAAP Basis		Adjustment to Proportionate Share Basis[1]	Proportionate Share Basis[1]
For the six months ended June 30 ($ thousands)	Credit facility	Construction loans	Construction loans[i]	Total adjusted debt, variable rate
Principal balance outstanding, beginning of period	$ —	$ 5,230	$ 91,764	$ 96,994
Issuances and advances	200,000	76	35,186	235,262
Repayments	—	—	(26,200)	(26,200)
Translation of US dollar denominated borrowings	(1,180)	—	—	(1,180)
Principal balance outstanding, end of period	**$ 198,820**	**$ 5,306**	**$ 100,750**	**$ 304,876**

(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 six months ended June 30, 2025:

	GAAP Basis		Adjustment to Proportionate Share Basis[1]	Proportionate Share Basis[1]
For the six months ended June 30 ($ thousands)	Senior unsecured debentures	Mortgages payable	Mortgages payable[i]	Total adjusted debt, fixed rate
Principal balance outstanding, beginning of period	$ 5,400,000	$ 1,300,158	$ 515,517	$ 7,215,675
Issuances and advances	300,000	—	136,000	436,000
Repayments	(350,000)	(14,115)	(16,057)	(380,172)
Principal balance outstanding, end of period	**$ 5,350,000**	**$ 1,286,043**	**$ 635,460**	**$ 7,271,503**

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

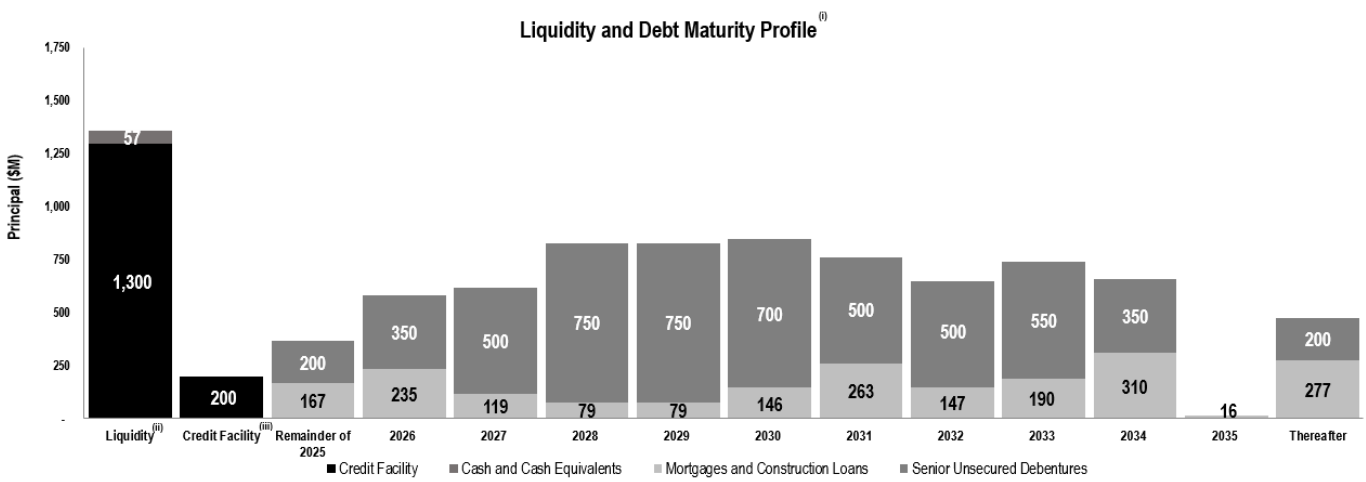
Schedules of Repayments and Cash Flow Activities

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

	GAAP Basis				Adjustment to Proportionate Share Basis[1]		Proportionate Share Basis[1]
As at June 30, 2025 ($ thousands)	Credit facility	Senior unsecured debentures	Mortgages payable	Construction loans	Mortgages payable[(i)]	Construction loans[(i)]	Total
Remainder of 2025	$ —	$ 200,000	$ 116,899	$ 5,306	$ 6,933	$ 38,255	**$ 367,393**
2026	—	350,000	153,945	—	18,462	62,495	**584,902**
2027	—	500,000	94,399	—	24,493	—	**618,892**
2028	—	750,000	49,095	—	29,746	—	**828,841**
2029	—	750,000	39,466	—	40,020	—	**829,486**
Thereafter	198,820	2,800,000	832,239	—	515,806	—	**4,346,865**
Total adjusted debt outstanding	**$ 198,820**	**$ 5,350,000**	**$ 1,286,043**	**$ 5,306**	**$ 635,460**	**$ 100,750**	**$ 7,576,379**

(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 May 21, 2030.

4.6 Financial Condition

Choice Properties is subject to certain financial and non-financial covenants on its senior unsecured debentures and credit facility that include maintaining certain leverage and debt service ratios. These ratios are monitored by management on an ongoing basis to ensure compliance. Choice Properties was in compliance with all these covenants as at June 30, 2025 and December 31, 2024.

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

		As at June 30, 2025	As at December 31, 2024
Adjusted Debt to Total Assets(1)(i)	Limit: Maximum excluding convertible debt is 60.0%	**40.8 %**	40.0 %
Debt Service Coverage Ratio(1)(i)	Limit: Minimum 1.5x	**3.0x**	3.0x
Adjusted Debt to EBITDAFV(1)(i)(ii)(iv)(v)		**7.2x**	7.0x
Interest Coverage Ratio(1)(iii)(iv)		**3.3x**	3.3x

(i) Debt ratios exclude Exchangeable Units. The ratios are non-GAAP financial measures calculated based on the Trust Indentures, as supplemented.
(ii) Refer to Section 14.6, "Earnings Before Interest, Taxes, Depreciation, Amortization and Fair Value" for a reconciliation of net (loss) income to EBITDAFV used in this ratio.
(iii) Refer to Section 14.5, "Net Interest Expense and Other Financing Charges Reconciliation" for a reconciliation of proportionate share basis(1) to GAAP basis for net interest expense and other financing charges used in this ratio.
(iv) The senior unsecured debentures and credit facility financial covenants do not include the Adjusted Debt to EBITDAFV(1) and Interest Coverage Ratio(1) metrics. These metrics are used to assess financial leverage and are useful in determining the Trust's ability to meet financial obligations. Refer to Section 14 "Non-GAAP Financial Measures".
(v) Adjusted Debt to EBITDAFV, net of cash(1) was 7.1x as at June 30, 2025 and 6.9x as at December 31, 2024.

4.7 Credit Ratings

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

On May 29, 2024, S&P upgraded the Choice Properties rating to BBB+ with a stable outlook. On May 26, 2025, DBRS confirmed the Choice Properties rating at BBB (high) and upgraded the trend from stable to positive. 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 June 30, 2025:

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

4.8 Unit Equity

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

	Six months ended June 30, 2025	Year ended December 31, 2024
Units, beginning of period	**327,923,972**	327,859,972
Units issued under unit-based compensation arrangements	**373,556**	368,610
Units repurchased for unit-based compensation arrangements	**(273,256)**	(304,610)
Units, end of period	**328,024,272**	327,923,972
Exchangeable Units, end of period	**395,786,525**	395,786,525
Total Units and Exchangeable Units, end of period	**723,810,797**	723,710,497

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 19, 2024, Choice Properties received approval from the TSX to purchase up to 27,566,130 Units during the twelve-month period from November 21, 2024 to November 20, 2025, 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 six months ended June 30, 2025 and the year ended December 31, 2024, 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 and six months ended June 30, 2025 and 2024, including distributions to holders of Exchangeable Units, were as follows:

For the periods ended June 30 ($ thousands)	**Three Months**			**Six Months**		
	2025	2024	Change $	**2025**	2024	Change $
Net distributions declared	**$ 139,334**	$ 137,492	$ 1,842	**$ 277,455**	$ 273,779	$ 3,676

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 12, 2025, the Board reviewed and approved an increase of distributions to $0.77 per unit per annum from the previous rate of $0.76 per unit per annum (an increase of 1.3%). The increase was effective for Unitholders of record on March 31, 2025.

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

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

4.9 Net Asset Value

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

($ thousands)	As at June 30, 2025	As at December 31, 2024	Change
Unitholders' equity	$ 4,521,720	$ 4,899,800	$ (378,080)
Exchangeable Units	5,885,346	5,283,750	601,596
NAV[1]	$ 10,407,066	$ 10,183,550	$ 223,516
NAV[1] per unit	$ 14.38	$ 14.07	$ 0.31
Trust Units and Exchangeable Units, end of period	723,810,797	723,710,497	100,300

Six Months

NAV[1] increased by $223.5 million or $0.31 per unit during the six months ended June 30, 2025, primarily due to net contributions from FFO of $382.5 million and a fair value gain on investment properties of $131.0 million, partially offset by distributions of $277.5 million.

4.10 Financial Instruments

Designated hedging derivatives consist of interest rate swaps to hedge the interest rate associated with an equivalent amount of variable rate mortgages, and cross currency swaps to hedge foreign exchange associated with the equivalent amount borrowed in U.S. dollars on the Trust's credit facility. As at June 30, 2025, the interest rates associated with the interest rate swaps ranged from 2.8% to 5.0% (December 31, 2024 - 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 June 30, 2025	As at December 31, 2024
Derivative assets				
Interest rate swaps	Nov 2025 - Jun 2030	$ 75,260	$ 4,678	$ 5,619
Total derivative assets		$ 75,260	$ 4,678	$ 5,619
Derivative liabilities				
Interest rate swaps	March 1, 2030	$ 74,381	$ 2,302	$ 2,048
Cross currency swaps	July 2, 2025	200,000	1,180	—
Total derivative liabilities		$ 274,381	$ 3,482	$ 2,048

During the six months ended June 30, 2025, Choice Properties recorded an unrealized fair value loss in other comprehensive (loss) income of $1,195 (June 30, 2024 - unrealized fair value gain of $1,385).

4.11 Off-Balance Sheet Arrangements

Choice Properties issues letters of credit to support guarantees related to its investment properties including maintenance and development obligations to municipal authorities. The Trust has aggregate letters of credit with a maximum capacity of $82,385 at the Trust's ownership interest. As at June 30, 2025, the aggregate gross potential liability related to these letters of credit totalled $35,604 (December 31, 2024 - $37,479).

5. RESULTS OF OPERATIONS

Choice Properties' results, as reported under GAAP, for the three and six months ended June 30, 2025 and 2024 are summarized below:

For the periods ended June 30 ($ thousands)	Three Months				Six Months			
	2025	2024	Change $	% Change	**2025**	2024	Change $	% Change
Net Operating Income								
Rental revenue	**$ 350,779**	$ 335,388	$ 15,391	4.6 %	**$ 697,691**	$ 673,346	$ 24,345	3.6 %
Property operating costs	**(99,223)**	(93,195)	(6,028)	6.5 %	**(200,286)**	(191,300)	(8,986)	4.7 %
	251,556	242,193	9,363	3.9 %	**497,405**	482,046	15,359	3.2 %
Residential Inventory Income								
Gross sales	**—**	—	—	n/a	**—**	11,268	(11,268)	(100.0)%
Cost of sales	**—**	—	—	n/a	**—**	(9,234)	9,234	(100.0)%
	—	—	—	n/a	**—**	2,034	(2,034)	(100.0)%
Other Income and Expenses								
Interest income	**9,028**	15,275	(6,247)	(40.9)%	**20,689**	25,034	(4,345)	(17.4)%
Investment income[i]	**5,315**	5,315	—	— %	**10,630**	10,630	—	— %
Fee income	**738**	625	113	18.1 %	**3,208**	1,326	1,882	141.9 %
Net interest expense and other financing charges	**(148,957)**	(146,204)	(2,753)	1.9 %	**(295,146)**	(288,488)	(6,658)	2.3 %
General and administrative expenses	**(14,976)**	(17,200)	2,224	(12.9)%	**(29,713)**	(31,838)	2,125	(6.7)%
Share of income from equity accounted joint ventures	**5,720**	1,370	4,350	317.5 %	**21,875**	6,088	15,787	259.3 %
Amortization of intangible assets	**(250)**	(250)	—	— %	**(500)**	(500)	—	— %
Transaction costs and other related expenses	**—**	38,615	(38,615)	(100.0)%	**—**	38,615	(38,615)	(100.0)%
Adjustment to fair value of unit-based compensation	**(875)**	1,288	(2,163)	(167.9)%	**(893)**	2,069	(2,962)	(143.2)%
Adjustment to fair value of Exchangeable Units	**(364,124)**	372,039	(736,163)	(197.9)%	**(601,596)**	439,323	(1,040,919)	(236.9)%
Adjustment to fair value of investment properties	**93,486**	28,035	65,451	233.5 %	**123,444**	26,670	96,774	362.9 %
Adjustment to fair value of investment in real estate securities	**9,093**	(27,870)	36,963	(132.6)%	**119**	(57,511)	57,630	(100.2)%
(Loss) Income before Income Taxes	**(154,246)**	513,231	(667,477)	(130.1)%	**(250,478)**	655,498	(905,976)	(138.2)%
Income tax (expense) recovery	**(1)**	—	(1)	n/a	**(2)**	12	(14)	(116.7)%
Net (Loss) Income	**$ (154,247)**	$ 513,231	$ (667,478)	(130.1)%	**$ (250,480)**	$ 655,510	$ (905,990)	(138.2)%

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

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

Three Months	Six Months
The Trust reported a net loss of $154.2 million for the three months compared to net income of $513.2 million for the same prior year period. The decrease was primarily due to changes in certain non-cash adjustments to fair value including: a $736.2 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, partially offset by a $65.5 million favourable change in the adjustment to fair value of investment properties and a $37.0 million favourable change in the adjustment to fair value of the investment in real estate securities of Allied due to the change in Allied's unit price. In addition to the fair value changes described above, the reversal of a $38.6 million transaction related provision during the second quarter of 2024 further contributed to the decrease. The decrease was partially offset by higher net operating income of $9.4 million.	The Trust reported a net loss of $250.5 million for the six months compared to net income of a $655.5 million for the same prior year period. The decrease was primarily due to changes in certain non-cash adjustments to fair value including: a $1,040.9 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, partially offset by a $96.8 million favourable change in the adjustment to fair value of investment properties and a $57.6 million favourable change in the adjustment to fair value of the investment in real estate securities of Allied due to the change in Allied's unit price. In addition to the fair value changes described above, the reversal of a $38.6 million transaction related provision during the second quarter of 2024 further contributed to the decrease. The decrease was partially offset by higher net operating income of $15.4 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.

	Three Months			Six Months		
For the periods ended June 30 ($ thousands)	**2025**	2024	Change $	**2025**	2024	Change $
Rental revenue	**$ 350,779**	$ 335,388	$ 15,391	**$ 697,691**	$ 673,346	$ 24,345
Property operating costs	**(99,223)**	(93,195)	(6,028)	**(200,286)**	(191,300)	(8,986)
Net Operating Income	**$ 251,556**	$ 242,193	$ 9,363	**$ 497,405**	$ 482,046	$ 15,359

Three and Six Months

Net operating income increased for the three and six month periods compared to the same prior year periods primarily due to increased rental revenue from higher rental rates on renewals, new leasing, and contractual rent steps mainly in the retail and industrial portfolios. Further contributing to the increase were contributions from net acquisitions and completed developments over the past twelve months. The increase was partially offset by lower lease surrender revenue and a bad debt provision reversal in the prior year in the industrial portfolio following the resolution of a tenant dispute.

In addition, the increase for the six months included a property tax incentive recognized in the mixed-use and residential portfolio in the first quarter of 2025.

Residential Inventory Income

	Three Months			Six Months		
For the periods ended June 30 ($ thousands)	**2025**	2024	Change $	**2025**	2024	Change $
Gross sales	**$ —**	$ —	$ —	**$ —**	$ 11,268	$ (11,268)
Cost of sales	**—**	—	—	**—**	(9,234)	9,234
Residential Inventory Income	**$ —**	$ —	$ —	**$ —**	$ 2,034	$ (2,034)

Three and Six Months

For the three months ended, there were no residential inventory sales in the current or prior year periods. Residential inventory income decreased for the six months compared to the same prior year period as the Trust recognized gross sales and cost of sales related to the sale of its ownership interest of 36 condominium units of its Mount Pleasant Village residential project in Brampton, Ontario in the first quarter of the prior year.

Interest Income

For the periods ended June 30 ($ thousands)	Three Months 2025	Three Months 2024	Three Months Change $	Six Months 2025	Six Months 2024	Six Months Change $
Interest income from mortgages and loans receivable	**$ 5,812**	$ 5,690	$ 122	**$ 11,885**	$ 11,443	$ 442
Income earned from financial real estate assets	**2,973**	3,605	(632)	**5,987**	5,866	121
Income from financial real estate assets due to changes in value	**11**	2,566	(2,555)	**1,416**	2,274	(858)
Other interest income	**232**	3,414	(3,182)	**1,401**	5,451	(4,050)
Interest Income	**$ 9,028**	$ 15,275	$ (6,247)	**$ 20,689**	$ 25,034	$ (4,345)

Three and Six Months

Interest income decreased for the three and six month periods compared to the same prior year periods primarily due to a decrease in interest income earned on excess cash and changes in fair value from financial real estate assets.

A higher excess cash balance was held in the second quarter of 2024 following the issuance of the $500 million Series U senior unsecured debentures, ahead of the the repayment of the $550 million Series K senior unsecured debentures in the third quarter of 2024.

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 June 30 ($ thousands)	Three Months 2025	Three Months 2024	Three Months Change $	Six Months 2025	Six Months 2024	Six Months Change $
Fees charged to related party	**$ 134**	$ 132	$ 2	**$ 245**	$ 195	$ 50
Fees charged to third parties	**604**	493	111	**2,963**	1,131	1,832
Fee Income	**$ 738**	$ 625	$ 113	**$ 3,208**	$ 1,326	$ 1,882

Three Months

Fee income increased for the three months compared to the same prior year period primarily due to higher property management fees provided to third parties in the current quarter.

Six Months

Fee income increased for the six months compared to the same prior year period primarily due to a fee recognized resulting from the termination of an agreement with a development partner in the first quarter of 2025, as well as higher property management fees provided to third parties in the current quarter.

Net Interest Expense and Other Financing Charges

For the periods ended June 30 ($ thousands)	Three Months 2025	Three Months 2024	Three Months Change $	Six Months 2025	Six Months 2024	Six Months Change $
Interest on senior unsecured debentures	**$ 56,714**	$ 57,732	$ (1,018)	**$ 112,616**	$ 113,700	$ (1,084)
Interest on mortgages and construction loans	**13,202**	11,528	1,674	**26,688**	21,488	5,200
Interest on credit facility	**2,649**	1,160	1,489	**3,823**	2,209	1,614
Interest on right-of-use lease liabilities	**10**	12	(2)	**20**	24	(4)
Amortization of debt discounts and premiums	**128**	227	(99)	**263**	388	(125)
Amortization of debt placement costs	**1,111**	1,119	(8)	**2,173**	2,257	(84)
Capitalized interest(i)	**(1,046)**	(773)	(273)	**(2,155)**	(1,317)	(838)
	72,768	71,005	1,763	**143,428**	138,749	4,679
Distributions on Exchangeable Units(ii)	**76,189**	75,199	990	**151,718**	149,739	1,979
Net interest expense and other financing charges	**$ 148,957**	$ 146,204	$ 2,753	**$ 295,146**	$ 288,488	$ 6,658

(i) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.23% and 4.23% for the three and six months ended June 30, 2025, respectively (June 30, 2024 - 4.14% and 4.11%, respectively).
(ii) Represents interest on indebtedness due to GWL.

Three and Six Months

Net interest expense and other financing charges increased for the three and six month periods compared to the same prior year periods primarily due to new debt issuances over the past twelve months bearing interest at higher rates than maturing debt.

General and Administrative Expenses

For the periods ended June 30 ($ thousands)	Three Months 2025	Three Months 2024	Three Months Change $	Six Months 2025	Six Months 2024	Six Months Change $
Salaries, benefits and employee costs	**$ 15,949**	$ 18,907	$ (2,958)	**$ 33,117**	$ 36,195	$ (3,078)
Investor relations and other public entity costs	**900**	876	24	**1,648**	1,672	(24)
Professional fees	**1,490**	1,263	227	**2,748**	2,411	337
Information technology costs	**2,480**	2,162	318	**4,664**	4,028	636
Services Agreement expense charged by related party(i)	**1,247**	1,247	—	**2,494**	2,494	—
Amortization of other assets	**315**	314	1	**631**	625	6
Office related costs	**379**	479	(100)	**752**	911	(159)
Other	**950**	913	37	**1,425**	1,270	155
	23,710	26,161	(2,451)	**47,479**	49,606	(2,127)
Less:						
Capitalized to properties under development	**(3,012)**	(3,283)	271	**(6,379)**	(6,611)	232
Allocated to recoverable operating expenses	**(5,722)**	(5,678)	(44)	**(11,387)**	(11,157)	(230)
General and administrative expenses	**$ 14,976**	$ 17,200	$ (2,224)	**$ 29,713**	$ 31,838	$ (2,125)

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

Three and Six Months

General and administrative expenses decreased for the three and six month periods compared to the same prior year periods primarily due to restructuring costs related to the outsourcing of a portion of the Trust's operational accounting function, partially offset by higher information technology costs.

6. LEASING ACTIVITY

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

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

The following table details the changes for in-place occupancy by segment for the three months ended June 30, 2025:

(in thousands of square feet except where otherwise indicated)	Retail(i)				Industrial(ii)				Mixed-Use & Residential(iii)			Total Portfolio			
	Leasable	Occupied	%	Rate(iv)	Leasable	Occupied	%	Rate(iv)	Leasable	Occupied	%	Leasable	Occupied	%	Rate(iv)
Mar. 31, 2025	44,489	43,490	97.8 %	$ 17.14	20,925	20,445	97.7 %	$ 9.85	1,158	1,099	94.9 %	66,572	65,034	97.7 %	$14.96
New Leasing	—	78		$ 24.47	—	237		$ 9.02	—	6		—	321		$12.35
Net Expiries(v)	—	(86)		$ 16.54	—	(170)		$ 6.65	—	—		—	(256)		$ 9.98
Absorption	—	(8)			—	67			—	6		—	65		
Portfolio changes(vi)	6	13			848	819			(2)	(2)		852	830		
Jun. 30, 2025	**44,495**	**43,495**	**97.8 %**	**$ 17.21**	**21,773**	**21,331**	**98.0 %**	**$ 10.08**	**1,156**	**1,103**	**95.4 %**	**67,424**	**65,929**	**97.8 %**	**$15.02**
Renewals		251		$ 22.56		331		$ 10.65					582		$15.79
Long Term Renewal Spread(vii)				13.2 %				38.9 %							24.0 %
Retention Ratio				74.5 %				66.1 %							69.5 %

(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 (March 31, 2025 - 662,000 sq. ft.).
(ii) Includes 2,405,000 sq. ft. that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases (March 31, 2025 - 2,112,000 sq. ft.).
(iii) Occupancy represents retail and office portion of mixed-use properties; residential units are excluded.
(iv) Weighted average rate per occupied square foot excludes ground leases. Total portfolio excludes Mixed-Use & Residential.
(v) Net expiries reflects spaces that naturally expired and were not renewed, as well as early terminations.
(vi) Portfolio changes represents changes in occupied square footage arising from acquisitions, dispositions, intensifications, expansions, and transfers from properties under development.
(vii) Long-term renewal spread is calculated as the difference between the average rental rate of the renewal term and the expiring rental rate. Comparing the rental rate during the first year of the renewal term versus the expiring rate, spread was 19.8% (Retail - 10.9%, Industrial - 32.0%). Total portfolio excludes Mixed-Use & Residential.

Three Months

Ending occupancy of 97.8% was up 10 bps compared to the prior period.

Occupancy in the retail segment remained stable. Retention of 74.5% was lower than normal due to selective strategic expires, including a restaurant in Ontario and a specialty store in Alberta, which have largely been re-leased at higher rents to tenants with stronger covenants, including two grocery stores, a pharmacy, and a specialty retailer.

Occupancy in the industrial segment improved by 30 bps due to new leasing in the Ontario and Alberta portfolios. Retention of 66.1% was lower than normal due to the expiry of a 124,000 square foot unit, which was re-leased within the quarter.

The following table details the changes for in-place occupancy by segment for the six months ended June 30, 2025:

(in thousands of square feet except where otherwise indicated)	Retail(i)				Industrial(ii)				Mixed-Use & Residential(iii)			Total Portfolio			
	Leasable	Occupied	%	Rate(iv)	Leasable	Occupied	%	Rate(iv)	Leasable	Occupied	%	Leasable	Occupied	%	Rate(iv)
Dec. 31, 2024	44,479	43,404	97.6 %	$ 17.13	20,925	20,486	97.9 %	$ 9.76	1,158	1,090	94.1 %	66,562	64,980	97.6 %	$ 14.92
New Leasing	—	243		$ 22.11	—	315		$ 10.26	—	16		—	574		$ 14.87
Net Expiries(v)	—	(166)		$ 19.95	—	(289)		$ 7.22	—	(1)		—	(456)		$ 11.69
Absorption	—	77			—	26			—	15		—	118		
Portfolio changes(vi)	16	14			848	819			(2)	(2)		862	831		
Jun. 30, 2025	**44,495**	**43,495**	**97.8 %**	**$ 17.21**	**21,773**	**21,331**	**98.0 %**	**$ 10.08**	**1,156**	**1,103**	**95.4 %**	**67,424**	**65,929**	**97.8 %**	**$ 15.02**
Renewals		886		$ 18.21		630		$ 9.67		—			1,516		$ 14.66
Long Term Renewal Spread(vii)				11.2 %				29.0 %							16.5 %
Retention Ratio				84.2 %				68.6 %			— %				76.9 %

(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 (Dec. 31, 2024 - 668,000 sq. ft.).
(ii) Includes 2,405,000 sq. ft. that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases (Dec. 31, 2024 - 2,112,000 sq. ft.).
(iii) Occupancy represents retail and office portion of mixed-use properties; residential units are excluded.
(iv) Weighted average rate per occupied square foot excludes ground leases. Total portfolio excludes Mixed-Use & Residential.
(v) Net expiries reflects spaces that naturally expired and were not renewed, as well as early terminations.
(vi) Portfolio changes represents changes in occupied square footage arising from acquisitions, dispositions, intensifications, expansions, and transfers from properties under development.
(vii) Long-term renewal spread is calculated as the difference between the average rental rate of the renewal term and the expiring rental rate. Comparing the rental rate during the first year of the renewal term versus the expiring rate, spread was 13.4% (Retail - 9.4%, Industrial - 22.9%). Total portfolio excludes Mixed-Use & Residential.

Six Months

Overall occupancy improved to 97.8% as at June 30, 2025 from 97.6% as at December 31, 2024.

Occupancy improved in the retail segment due to positive absorption of 77,000 square feet, primarily in the Alberta and Quebec portfolios.

Occupancy improved in the industrial segment due to positive absorption of 26,000 square feet, primarily in the Ontario portfolio, largely offset by negative absorption in the Nova Scotia portfolio. Retention of 68.6% was lower than normal due to the expiry of a 124,000 square foot unit, which was re-leased within the period.

Choice Properties' principal tenant, Loblaw, represents 59.8% of its total GLA (December 31, 2024 - 58.9%). Subsequent to the quarter end, Choice and Loblaw renewed 39 of a tranche of 41 leases expiring in 2026, comprising 2.52 million of 2.62 million square feet, at a weighted average spread of 8.6% and a weighted average extension term of 5.0 years.

(in millions of square feet except where otherwise indicated)	**As at June 30, 2025**				As at December 31, 2024			
	Portfolio GLA	**Occupied GLA**	**Occupancy (%)**	**WALT(i) (years)**	Portfolio GLA	Occupied GLA	Occupancy (%)	WALT(i) (years)
Loblaw banners(ii)	**40.3**	**40.3**	**100.0%**	**6.3**	39.2	39.2	100.0%	6.6
Third-party tenants(iii)	**27.1**	**25.6**	**94.5%**	**5.4**	27.4	25.8	94.2%	5.3
Total commercial GLA	**67.4**	**65.9**	**97.8%**	**5.9**	66.6	65.0	97.6%	6.1

(i) Weighted average lease term.
(ii) Included in Loblaw banners GLA is 1.9 million sq. ft. related to ground leases (December 31, 2024 - 1.9 million sq. ft.).
(iii) Included in third-party tenants GLA is 1.2 million sq. ft. related to ground leases (December 31, 2024 - 0.9 million sq. ft.).

The lease maturity profile for Choice Properties' portfolio as at June 30, 2025 was as follows:

(in thousands of square feet except where otherwise indicated)	Third-party GLA	Loblaw GLA	Total GLA	Expiring GLA as a % of total GLA	Expiring annualized base rent ($ 000s)	Average expiring base rent (per square foot)
Month-to-month	516	—	516	0.8 %	$ 11,250	$ 22.17
Remainder of 2025	658	36	694	1.0 %	9,324	13.50
2026	3,031	2,673	5,704	8.5 %	86,620	15.25
2027	3,201	3,896	7,097	10.5 %	112,576	15.87
2028	3,332	4,895	8,227	12.2 %	131,552	15.97
2029	2,725	7,037	9,762	14.5 %	152,899	15.66
2030	3,292	7,064	10,356	15.4 %	161,069	15.56
2031 & Thereafter	7,631	12,875	20,506	30.4 %	354,991	17.10
Occupied GLA	24,386	38,476	62,862	93.3 %	1,020,281	16.23
Ground lease GLA[i]	1,215	1,852	3,067	4.5 %	45,905	14.97
Vacant GLA	1,495	—	1,495	2.2 %	—	—
Total	**27,096**	**40,328**	**67,424**	**100.0 %**	**$ 1,066,186**	**$ 16.17**

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

Retail Tenant Profile

Choice Properties' retail portfolio is the foundation for maintaining stable and growing cash flows. It is primarily leased to grocery stores, pharmacies, and other necessity-based tenants. In addition, the Trust has 176 gas bars in its retail segment (December 31, 2024 - 177), which are excluded from reported occupancy. Stability is attained through a strategic relationship and long-term leases with Loblaw.

The Trust's ten largest retail tenants as at June 30, 2025 represented approximately 55.6% of total annualized gross rental revenue and 74.0% of retail annualized gross rental revenue, as calculated on a proportionate share basis[1]. The names noted below may be the names of the parent entities and are not necessarily the parties to the leases.

Retail Tenants		% of Retail Annualized Gross Rental Revenue	GLA (000s square feet)
1.	Loblaw	64.7 %	31,046
2.	Canadian Tire	1.8 %	904
3.	Dollarama	1.6 %	598
4.	TJX Companies	1.5 %	663
5.	Goodlife	1.2 %	496
6.	Liquor Control Board of Ontario (LCBO)	0.7 %	185
7.	TD Canada Trust	0.7 %	125
8.	Walmart	0.6 %	544
9.	Sobeys	0.6 %	266
10.	Staples	0.6 %	283
Total		**74.0 %**	**35,110**

The following table outlines further details of the Trust's retail tenant composition as at June 30, 2025:

Retail Category	% of Retail Annualized Gross Rental Revenue	GLA (000s square feet)
Grocery & Pharmacy	68.4 %	32,872
Essential Services	14.4 %	4,322
Fitness & Other Personal Services	5.2 %	1,819
Specialty & Value	4.9 %	2,039
Full-Service Restaurants	2.9 %	685
Furniture & Home	2.5 %	1,177
Other	1.7 %	581
Total	**100.0 %**	**43,495**

The lease maturity profile for Choice Properties' retail portfolio as at June 30, 2025 was as follows:

(in thousands of square feet except where otherwise indicated)	Third-party GLA	Loblaw GLA	Total GLA	Expiring GLA as a % of total GLA	Expiring annualized base rent ($ 000s)	Average expiring base rent (per square foot)
Month-to-month	502	—	502	1.1 %	$ 11,126	$ 22.56
Remainder of 2025[(i)]	377	36	413	0.9 %	6,922	16.89
2026	1,704	2,673	4,377	9.8 %	72,580	16.69
2027	1,826	3,896	5,722	12.9 %	98,810	17.27
2028	1,626	4,095	5,721	12.9 %	102,289	17.88
2029	1,439	6,367	7,806	17.5 %	128,633	16.48
2030	1,094	6,461	7,555	17.0 %	127,604	16.90
2031 & Thereafter	3,219	7,518	10,737	24.2 %	227,781	20.83
Occupied GLA	11,787	31,046	42,833	96.3 %	775,745	18.11
Ground lease GLA[(ii)]	662	—	662	1.5 %	6,834	10.32
Vacant GLA	1,000	—	1,000	2.2 %	—	—
Total	**13,449**	**31,046**	**44,495**	**100.0 %**	**$ 782,579**	**$ 17.99**

(i) The 413,000 sq. ft. of GLA maturing in 2025 is located in the following markets: 26.3% Greater Toronto Area, 6.2% Greater Montreal Area, 11.0% Vancouver, 9.6% Edmonton, 6.1% Ottawa, 0.9% Calgary, and 39.9% other markets.
(ii) Represents the building area on properties where the Trust has leased the underlying sites to tenants through ground leases.

Industrial Tenant Profile

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

The Trust's ten largest industrial tenants as at June 30, 2025 represented approximately 13.6% of total annualized gross rental revenue and 62.6% of industrial annualized gross rental revenue, as calculated on a proportionate share basis[1]. The names noted below may be the names of the parent entities and are not necessarily the parties to the leases.

	Industrial Tenants	% of Industrial Annualized Gross Rental Revenue	GLA (000s square feet)
1.	Loblaw	35.9 %	8,541
2.	Canada Cartage	4.6 %	796
3.	Amazon	4.3 %	1,020
4.	Wonderbrands Inc.	3.3 %	1,050
5.	Pet Valu	3.3 %	353
6.	TEN Canada Ltd.	3.2 %	293
7.	NFI IPD	2.4 %	354
8.	Uline Canada Corporation	2.0 %	635
9.	Alberta Gaming, Liquor and Cannabis	1.8 %	424
10.	Kimberly-Clark	1.8 %	514
Total		**62.6 %**	**13,980**

The following table outlines further details of the Trust's industrial tenant composition as at June 30, 2025:

Building Type / Tenant Use	% of Industrial Annualized Gross Rental Revenue	GLA (000s square feet)(i)	Occupied GLA (000s square feet)	Occupancy
Distribution	52.6 %	11,064	10,787	97.5 %
Large Bay-Loblaw Distribution	35.9 %	8,541	8,541	100.0 %
Warehouse(ii)	11.5 %	2,168	2,003	92.4 %
Total	**100.0 %**	**21,773**	**21,331**	**98.0 %**

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

(ii) Warehouse includes certain Small Bay assets.

The lease maturity profile for Choice Properties' industrial portfolio as at June 30, 2025 was as follows:

(in thousands of square feet except where otherwise indicated)	Third-party GLA	Loblaw GLA	Total GLA	Expiring GLA as a % of total GLA	Expiring annualized base rent ($ 000s)	Average expiring base rent (per square foot)
Month-to-month	14	—	14	0.1 %	$ 124	$ 8.75
Remainder of 2025[(i)]	281	—	281	1.3 %	2,401	8.55
2026	1,221	—	1,221	5.6 %	11,542	9.39
2027	1,319	—	1,319	6.1 %	12,214	9.26
2028	1,693	772	2,465	11.3 %	28,083	11.30
2029	1,230	670	1,900	8.7 %	22,685	11.94
2030	2,180	596	2,776	12.7 %	32,520	11.72
2031 & Thereafter	4,299	4,651	8,950	41.2 %	108,335	12.10
Occupied GLA[(ii)]	12,237	6,689	18,926	87.0 %	217,904	11.51
Ground lease GLA[(iii)]	553	1,852	2,405	11.0 %	39,070	16.25
Vacant GLA	442	—	442	2.0 %	—	—
Total	**13,232**	**8,541**	**21,773**	**100.0 %**	**$ 256,974**	**$ 12.05**

(i) The 281,000 sq. ft. of GLA maturing in 2025 is located in the following markets: 34.5% Calgary, 26.1% Edmonton,17.2% Greater Toronto Area, and 22.2% other markets.
(ii) Average in-place base rent per square foot for the major markets (excluding ground leases): $14.07 Vancouver, $9.15 Edmonton, $8.48 Calgary, $10.56 Greater Toronto Area, $10.12 Greater Montreal Area, and $9.69 other markets.
(iii) Represents the building area on properties where the Trust has leased the underlying sites to tenants through ground leases.

7. RESULTS OF OPERATIONS - SEGMENT INFORMATION

7.1 Net Income and Segment NOI Reconciliation

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

The following table reconciles net loss on a proportionate share basis(1) to net loss as determined in accordance with GAAP for the three months ended June 30, 2025:

($ 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	$ 278,585	$ 77,475	$ 19,176	**$ 375,236**	$ (23,961)	**$ 351,275**
Property operating costs	(80,018)	(19,036)	(7,783)	**(106,837)**	7,614	**(99,223)**
Net Operating Income, Cash Basis(1)	**198,567**	**58,439**	**11,393**	**268,399**	(16,347)	**252,052**
Straight-line rental revenue	(1,996)	2,673	288	**965**	(1,535)	**(570)**
Lease surrender revenue	74	—	—	**74**	—	**74**
Net Operating Income, Accounting Basis(1)	**196,645**	**61,112**	**11,681**	**269,438**	(17,882)	**251,556**
Other Income and Expenses						
Interest income				**6,135**	2,893	**9,028**
Investment income				**5,315**	—	**5,315**
Fee income				**738**	—	**738**
Net interest expense and other financing charges				**(155,775)**	6,818	**(148,957)**
General and administrative expenses				**(14,976)**	—	**(14,976)**
Share of income from equity accounted joint ventures				**—**	5,720	**5,720**
Amortization of intangible assets				**(250)**	—	**(250)**
Adjustment to fair value of unit-based compensation				**(875)**	—	**(875)**
Adjustment to fair value of Exchangeable Units				**(364,124)**	—	**(364,124)**
Adjustment to fair value of investment properties				**91,035**	2,451	**93,486**
Adjustment to fair value of investment in real estate securities				**9,093**	—	**9,093**
Loss before Income Taxes				**(154,246)**	—	**(154,246)**
Income tax expense				**(1)**	—	**(1)**
Net Loss				**$ (154,247)**	$ —	**$ (154,247)**

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

The following table reconciles net loss on a proportionate share basis[1] to net loss as determined in accordance with GAAP for the six months ended June 30, 2025:

($ 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	$ 559,263	$ 148,919	$ 38,017	**$ 746,199**	$ (47,729)	**$ 698,470**
Property operating costs	(164,336)	(37,299)	(14,095)	**(215,730)**	15,444	**(200,286)**
Net Operating Income, Cash Basis[1]	**394,927**	**111,620**	**23,922**	**530,469**	(32,285)	**498,184**
Straight-line rental revenue	(3,594)	4,947	611	**1,964**	(2,901)	**(937)**
Lease surrender revenue	158	—	—	**158**	—	**158**
Net Operating Income, Accounting Basis[1]	**391,491**	**116,567**	**24,533**	**532,591**	(35,186)	**497,405**
Other Income and Expenses						
Interest income				**13,486**	7,203	**20,689**
Investment income				**10,630**	—	**10,630**
Fee income				**3,208**	—	**3,208**
Net interest expense and other financing charges				**(308,823)**	13,677	**(295,146)**
General and administrative expenses				**(29,713)**	—	**(29,713)**
Share of income from equity accounted joint ventures				**—**	21,875	**21,875**
Amortization of intangible assets				**(500)**	—	**(500)**
Adjustment to fair value of unit-based compensation				**(893)**	—	**(893)**
Adjustment to fair value of Exchangeable Units				**(601,596)**	—	**(601,596)**
Adjustment to fair value of investment properties				**131,013**	(7,569)	**123,444**
Adjustment to fair value of investment in real estate securities				**119**	—	**119**
Loss before Income Taxes				**(250,478)**	—	**(250,478)**
Income tax expense				**(2)**	—	**(2)**
Net Loss				**$ (250,480)**	$ —	**$ (250,480)**

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

7.2 Net Operating Income[1] Summary

NOI[1] is a supplemental measure of operating performance widely used in the real estate industry. There is no industry-defined definition of NOI[1]. Refer to Section 14.1, “Net Operating Income”, of this MD&A for a definition of NOI[1] and a reconciliation to net (loss) 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 18 months ended June 30, 2025, and where such properties had no changes to income as a result of acquisitions, dispositions, new developments, redevelopments and expansions, intensifications, transfers, or demolitions (collectively, “Transactions”). NOI related to Transactions for the period is presented separately from the Same-Asset financial results.

Choice Properties’ NOI[1], calculated on a proportionate share basis[1] to incorporate the Trust’s investment in equity accounted joint ventures and financial real estate assets as if they were owned directly, for the three and six months ended June 30, 2025 and 2024 is summarized below.

Summary - Accounting Basis

	Three Months				Six Months			
For the periods ended June 30 ($ thousands)	**2025**	2024	Change $	% Change	**2025**	2024	Change $	% Change
Rental revenue	**$ 351,379**	$ 342,458	$ 8,921	2.6 %	**$ 704,310**	$ 685,587	$ 18,723	2.7 %
Straight-line rental revenue	**(1,244)**	(1,064)	(180)	16.9 %	**(2,364)**	(488)	(1,876)	384.4 %
Property operating costs excluding bad debt expense	**(102,095)**	(98,031)	(4,064)	4.1 %	**(206,707)**	(199,688)	(7,019)	3.5 %
Same-Asset NOI, Accounting Basis excluding bad debt expense	**248,040**	243,363	4,677	1.9 %	**495,239**	485,411	9,828	2.0 %
Bad debt recovery (expense)	**30**	1,462	(1,432)	n/a	**(82)**	1,493	(1,575)	n/a
Same-Asset NOI, Accounting Basis	**248,070**	244,825	3,245	1.3 %	**495,157**	486,904	8,253	1.7 %
Transactions NOI including straight-line rental revenue, excluding bad debt expense	**21,387**	10,750	10,637		**37,373**	21,352	16,021	
Bad debt (expense) recovery	**(93)**	217	(310)		**(97)**	44	(141)	
Transactions NOI, Accounting Basis	**21,294**	10,967	10,327		**37,276**	21,396	15,880	
Lease surrender revenue	**74**	1,224	(1,150)		**158**	3,773	(3,615)	
Total NOI, Accounting Basis	**$ 269,438**	$ 257,016	$ 12,422		**$ 532,591**	$ 512,073	$ 20,518	

Summary - Cash Basis

For the periods ended June 30 ($ thousands)	Three Months 2025	2024	Change $	% Change	Six Months 2025	2024	Change $	% Change
Rental revenue	**$ 351,379**	$ 342,458	$ 8,921	2.6 %	**$ 704,310**	$ 685,587	$ 18,723	2.7 %
Property operating costs excluding bad debt expense	**(102,095)**	(98,031)	(4,064)	4.1 %	**(206,707)**	(199,688)	(7,019)	3.5 %
Same-Asset NOI, Cash Basis excluding bad debt expense	**249,284**	244,427	4,857	2.0 %	**497,603**	485,899	11,704	2.4 %
Bad debt recovery (expense)	**30**	1,462	(1,432)	n/a	**(82)**	1,493	(1,575)	n/a
Same-Asset NOI, Cash Basis	**249,314**	245,889	3,425	1.4 %	**497,521**	487,392	10,129	2.1 %
Transactions NOI excluding bad debt expense	**19,178**	10,462	8,716		**33,045**	20,765	12,280	
Bad debt (expense) recovery	**(93)**	217	(310)		**(97)**	44	(141)	
Transactions NOI, Cash Basis	**19,085**	10,679	8,406		**32,948**	20,809	12,139	
Total NOI, Cash Basis	**$ 268,399**	$ 256,568	$ 11,831		**$ 530,469**	$ 508,201	$ 22,268	

Three and Six Months

Same-Asset NOI, Cash Basis increased by 1.4% and 2.1% for the three and six month periods, respectively, primarily due to increased revenue from higher rental rates on renewals, new leasing, and contractual rent steps mainly in the retail and industrial portfolios. The increase was partially offset by the impact of a bad debt provision reversal in the prior year in the industrial portfolio following the resolution of a tenant dispute.

In addition, the increase for the six month period included a property tax incentive recognized in the mixed-use and residential portfolio in the first quarter of 2025.

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

Retail Segment

For the periods ended June 30 ($ thousands)	Three Months 2025	2024	Change $	% Change	Six Months 2025	2024	Change $	% Change
Rental revenue	**$ 268,351**	$ 263,415	$ 4,936	1.9 %	**$ 539,254**	$ 528,786	$ 10,468	2.0 %
Property operating costs excluding bad debt expense	**(77,953)**	(75,758)	(2,195)	2.9 %	**(159,948)**	(154,797)	(5,151)	3.3 %
Same-Asset NOI, Cash Basis excluding bad debt expense	**190,398**	187,657	2,741	1.5 %	**379,306**	373,989	5,317	1.4 %
Bad debt recovery (expense)	**248**	(190)	438	n/a	**422**	(60)	482	n/a
Same-Asset NOI, Cash Basis	**190,646**	187,467	3,179	1.7 %	**379,728**	373,929	5,799	1.6 %
Transactions NOI excluding bad debt expense	**8,007**	8,342	(335)		**15,269**	16,768	(1,499)	
Bad debt (expense) recovery	**(86)**	276	(362)		**(70)**	245	(315)	
Transactions NOI, Cash Basis	**7,921**	8,618	(697)		**15,199**	17,013	(1,814)	
Total NOI, Cash Basis	**$ 198,567**	$ 196,085	$ 2,482		**$ 394,927**	$ 390,942	$ 3,985	

Three and Six Months

Same-Asset NOI, Cash Basis for the retail segment increased by 1.7% and 1.6% for the three and six month periods, respectively, primarily due to increased revenue from higher rental rates on renewals, new leasing, and contractual rent steps. Retail Same-Asset NOI, Cash Basis growth was impacted by the effect of lower interest rates on capital recoveries.

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

Industrial Segment

For the periods ended June 30 ($ thousands)	Three Months 2025	2024	Change $	% Change	Six Months 2025	2024	Change $	% Change
Rental revenue	$ 66,005	$ 63,001	$ 3,004	4.8 %	$ 131,299	$ 124,552	$ 6,747	5.4 %
Property operating costs excluding bad debt expense	(17,295)	(16,248)	(1,047)	6.4 %	(34,511)	(32,445)	(2,066)	6.4 %
Same-Asset NOI, Cash Basis excluding bad debt expense	48,710	46,753	1,957	4.2 %	96,788	92,107	4,681	5.1 %
Bad debt (expense) recovery	(103)	1,767	(1,870)	n/a	(222)	1,767	(1,989)	n/a
Same-Asset NOI, Cash Basis	48,607	48,520	87	0.2 %	96,566	93,874	2,692	2.9 %
Transactions NOI excluding bad debt expense	9,834	1,186	8,648		15,061	2,527	12,534	
Bad debt expense	(2)	(57)	55		(7)	(216)	209	
Transactions NOI, Cash Basis	9,832	1,129	8,703		15,054	2,311	12,743	
Total NOI, Cash Basis	$ 58,439	$ 49,649	$ 8,790		$ 111,620	$ 96,185	$ 15,435	

Three and Six Months

Same-Asset NOI, Cash Basis for the industrial segment increased by 0.2% and 2.9% for the three and six month periods, respectively, primarily due to increased revenue from higher rental rates on renewals, new leasing at market rates, and contractual rent steps.

The increase was partially offset by a bad debt provision reversal in the prior year following the resolution of a tenant dispute. Excluding bad debt expense, Same-Asset NOI, Cash Basis increased 4.2% and 5.1% for the three and six month periods, respectively.

Transactions NOI for the industrial segment increased for the three and six month periods 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 June 30 ($ thousands)	Three Months 2025	2024	Change $	% Change	Six Months 2025	2024	Change $	% Change
Rental revenue	$ 17,023	$ 16,042	$ 981	6.1 %	$ 33,757	$ 32,249	$ 1,508	4.7 %
Property operating costs excluding bad debt expense	(6,847)	(6,025)	(822)	13.6 %	(12,248)	(12,446)	198	(1.6)%
Same-Asset NOI, Cash Basis excluding bad debt expense	10,176	10,017	159	1.6 %	21,509	19,803	1,706	8.6 %
Bad debt expense	(115)	(115)	—	n/a	(282)	(214)	(68)	n/a
Same-Asset NOI, Cash Basis	10,061	9,902	159	1.6 %	21,227	19,589	1,638	8.4 %
Transactions NOI excluding bad debt expense	1,337	934	403		2,715	1,470	1,245	
Bad debt (expense) recovery	(5)	(2)	(3)		(20)	15	(35)	
Transactions NOI, Cash Basis	1,332	932	400		2,695	1,485	1,210	
Total NOI, Cash Basis	$ 11,393	$ 10,834	$ 559		$ 23,922	$ 21,074	$ 2,848	

Three and Six Months

Same-Asset NOI, Cash Basis for the mixed-use & residential segment increased by 1.6% and 8.4% for the three and six month periods, respectively, primarily due to higher revenues and lower expenses at certain residential properties. In addition, the increase for the six month period included a property tax incentive recognized in the first quarter of 2025.

Transactions NOI for the mixed-use & residential segment increased for the three and six month periods primarily due to the contribution from 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 and six months ended June 30, 2025 and June 30, 2024 are summarized below:

For the periods ended June 30 ($ thousands except where otherwise indicated)	Three Months 2025	Three Months 2024	Three Months Change $	Six Months 2025	Six Months 2024	Six Months Change $
Funds from Operations[1]	**$ 191,567**	$ 184,714	$ 6,853	**$ 382,506**	$ 371,903	$ 10,603
FFO[1] per unit basic	**$ 0.265**	$ 0.255	$ 0.010	**$ 0.528**	$ 0.514	$ 0.014
FFO[1] per unit diluted	**$ 0.265**	$ 0.255	$ 0.010	**$ 0.528**	$ 0.514	$ 0.014
FFO[1] payout ratio - diluted	**72.7 %**	74.4 %	(1.7)%	**72.5 %**	73.6 %	(1.1)%
Adjusted Funds from Operations[1]	**$ 166,945**	$ 176,600	$ (9,655)	**$ 347,210**	$ 349,746	$ (2,536)
AFFO[1] per unit basic	**$ 0.231**	$ 0.244	$ (0.013)	**$ 0.480**	$ 0.483	$ (0.003)
AFFO[1] per unit diluted	**$ 0.231**	$ 0.244	$ (0.013)	**$ 0.480**	$ 0.483	$ (0.003)
AFFO[1] payout ratio - diluted	**83.5 %**	77.9 %	5.6 %	**79.9 %**	78.3 %	1.6 %
Distribution declared per unit	**$ 0.193**	$ 0.190	$ 0.003	**$ 0.384**	$ 0.378	$ 0.006
Weighted average number of units outstanding - basic[i]	**723,810,797**	723,646,497	164,300	**723,790,848**	723,646,497	144,351
Weighted average number of units outstanding - diluted[i]	**723,810,797**	723,659,539	151,258	**723,790,848**	723,664,669	126,179
Number of units outstanding, end of period[i]	**723,810,797**	723,646,497	164,300	**723,810,797**	723,646,497	164,300

(i) Includes Trust Units and Exchangeable Units.

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

Three and Six Months

FFO[1] increased for the three and six month periods primarily due to an increase in net operating income and lower general and administrative expenses. The increase was partially offset by higher interest expense and lower interest income.

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

Three and Six Months

AFFO[1] decreased for the three and six months compared to the same prior year period primarily due to the earlier commencement of maintenance capital projects in the current year, partially offset by the increase in FFO[1] as noted above. AFFO[1] is impacted by the seasonality inherent in the timing of executing capital projects.

Property Capital and Leasing Expenditures

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

For the periods ended June 30 ($ thousands)	Three Months 2025	Three Months 2024	Three Months Change $	Six Months 2025	Six Months 2024	Six Months Change $
Property capital	**$ 12,940**	$ 2,585	$ 10,355	**$ 14,332**	$ 7,038	$ 7,294
Direct leasing costs	**2,373**	2,120	253	**3,984**	3,807	177
Tenant improvements	**6,181**	1,606	4,575	**10,443**	6,146	4,297
Total property capital and leasing expenditures, proportionate share basis[1]	**$ 21,494**	$ 6,311	$ 15,183	**$ 28,759**	$ 16,991	$ 11,768

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 and six months ended June 30, 2025, Choice Properties incurred $12,940 and $14,332, respectively, of property capital expenditures, which may be recoverable from tenants under the terms of their leases over the useful life of the improvements (June 30, 2024 - $2,585 and $7,038, respectively). 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)	Second Quarter 2025	First Quarter 2025	Fourth Quarter 2024	Third Quarter 2024	Second Quarter 2024	First Quarter 2024	Fourth Quarter 2023	Third Quarter 2023
Number of income producing properties	703	704	705	705	702	705	705	706
Gross leasable area (in millions of square feet)(i)	68.1	67.2	67.2	66.2	65.9	66.1	66.1	65.2
Occupancy	97.8 %	97.7 %	97.6 %	97.7 %	98.0 %	97.9 %	98.0 %	97.7 %
Rental revenue (GAAP)	$ 350,779	$ 346,912	$ 344,861	$ 339,898	$ 335,388	$ 337,958	$ 329,109	$ 325,077
Net (loss) income	$ (154,247)	$ (96,233)	$ 791,916	$ (662,989)	$ 513,231	$ 142,279	$ (445,684)	$ 435,903
Net (loss) income per unit	$ (0.213)	$ (0.133)	$ 1.094	$ (0.916)	$ 0.709	$ 0.197	$ (0.616)	$ 0.602
Net (loss) income per unit - diluted	$ (0.213)	$ (0.133)	$ 1.094	$ (0.916)	$ 0.709	$ 0.197	$ (0.616)	$ 0.602
Net operating income, cash basis(1)	$ 268,399	$ 262,070	$ 259,966	$ 255,952	$ 256,568	$ 251,633	$ 247,037	$ 244,886
FFO(1)	$ 191,567	$ 190,939	$ 188,220	$ 186,647	$ 184,714	$ 187,189	$ 184,640	$ 181,013
FFO(1) per unit - diluted	$ 0.265	$ 0.264	$ 0.260	$ 0.258	$ 0.255	$ 0.259	$ 0.255	$ 0.250
AFFO(1)	$ 166,945	$ 180,265	$ 109,326	$ 165,876	$ 176,600	$ 173,146	$ 127,095	$ 136,558
AFFO(1) per unit - diluted	$ 0.231	$ 0.249	$ 0.151	$ 0.229	$ 0.244	$ 0.239	$ 0.176	$ 0.189
Distribution declared per unit	$ 0.193	$ 0.191	$ 0.190	$ 0.190	$ 0.190	$ 0.188	$ 0.188	$ 0.188
NAV(1) per unit	$ 14.38	$ 14.17	$ 14.07	$ 14.04	$ 13.79	$ 13.69	$ 13.67	$ 13.69
Market price per unit - closing	$ 14.87	$ 13.95	$ 13.35	$ 15.13	$ 12.84	$ 13.78	$ 13.95	$ 12.68
Number of units outstanding, period end	723,810,797	723,810,797	723,710,497	723,710,497	723,646,497	723,646,497	723,646,497	723,646,497
Adjusted debt to total assets(1)(ii)	40.8 %	40.6 %	40.0 %	40.0 %	42.2 %	40.3 %	40.4 %	40.6 %
Debt service coverage(1)(ii)	3.0x	3.0x	3.0x	2.9x	3.0x	3.1x	3.0x	3.0x

(i) Includes GLA that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases and GLA associated with Choice Properties' residential units.
(ii) The Exchangeable Units are excluded from the debt ratio calculations. The ratios are non-GAAP financial measures calculated based on the Trust Indentures, as supplemented.

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

9. RELATED PARTY TRANSACTIONS

Choice Properties' controlling unitholder is GWL, which, as at June 30, 2025, held either directly or indirectly, a 61.7% effective interest in the Trust through ownership of 50,661,415 Units and all the Exchangeable Units, which are economically equivalent to and exchangeable to Units. Choice Properties' ultimate parent is Wittington, the controlling shareholder of GWL. Galen G. Weston beneficially owns or controls, directly and indirectly, including through Wittington, approximately 59.0% of GWL's outstanding common shares. Galen G. Weston also beneficially owns 1,518,850 of the Trust's Units.

GWL is also the controlling shareholder of Loblaw, with ownership of 52.6% of outstanding common shares as at June 30, 2025 (December 31, 2024 - 52.6%). Therefore, Choice Properties is a related party of Loblaw by virtue of common control.

Loblaw represents approximately 57.5% of Choice Properties' rental revenue on a proportionate share basis(1) and 59.8% of its commercial GLA as at June 30, 2025 (December 31, 2024 - 57.4% and 58.9%, respectively).

Leases
Subsequent to the quarter end, Choice Properties and Loblaw renewed 39 of a tranche of 41 leases expiring in 2026, comprising 2.52 million of 2.62 million square feet, at a weighted average spread of 8.6% and a weighted average extension term of 5.0 years.

Acquisitions
During the six months ended June 30, 2025, Choice Properties acquired from Loblaw a retail property in Brampton, Ontario for a purchase price of $33,200 and an industrial distribution centre in Ajax, Ontario for a purchase price of $182,290.

In each case the purchase price excludes transaction costs. Concurrent with the transactions, the properties were leased back to Loblaw.

Lease Surrender Revenue
During the three and six months ended June 30, 2025, Choice Properties recognized $nil and $nil of lease surrender revenue from Loblaw, respectively (June 30, 2024 - $401 and $2,912, respectively).

Services Agreement
During the six months ended June 30, 2025, GWL provided Choice Properties with corporate, administrative and other support services for an annualized cost of $4,988 (December 31, 2024 - $4,988).

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

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

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

Management Agreements
Choice Properties provides Wittington with property management services for 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 $3,215 in connection with completed gross leasable area for which tenants took possession during the six months ended June 30, 2025 (June 30, 2024 - $1,242).

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 and six months ended June 30, 2025, distributions declared on the Exchangeable Units totalled $76,189 and $151,718, respectively (June 30, 2024 - $75,199 and $149,739, respectively).

As at June 30, 2025, Choice Properties had distributions on Exchangeable Units payable to GWL of $176,785 (December 31, 2024 - $324,873).

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 six months ended June 30, 2025, GWL elected to receive distributions from Choice Properties Limited Partnership in the form of loans. As such, non-interest bearing short-term notes totalling $151,388 were issued to GWL. Non-interest bearing short-term notes totalling $299,807 with respect to the loans received in the 2024 fiscal year were settled against distributions payable by the Trust to GWL in January 2025.

Trust Unit Distributions
During the three and six months ended June 30, 2025, Choice Properties declared cash distributions of $9,752 and $19,420, respectively, on the Units held by GWL (June 30, 2024 - $9,626 and $19,167, respectively). As at June 30, 2025, $3,251 of Trust Unit distributions declared were payable to GWL (December 31, 2024 - $3,209).

10. INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

Changes in Internal Control over Financial Reporting
There were no changes in Choice Properties' internal controls over financial reporting in the second quarter of 2025 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, 2024 and MD&A in the 2024 Annual Report, which are hereby incorporated by reference. The 2024 Annual Report and AIF are available online on www.sedarplus.ca. The risks and risk management strategies included in the AIF and Annual Report remain unchanged.

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

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

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

Reporting and Disclosure

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

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

13. OUTLOOK[2]

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

We are confident that our business model, stable tenant base, strong balance sheet, and disciplined approach to financial management will continue to benefit us. In 2025, Choice Properties is targeting:

- Stable occupancy across the portfolio, resulting in approximately 2%-3% year-over-year growth in Same-Asset NOI, Cash Basis;
- Annual FFO per unit diluted in a range of $1.05 to $1.06, reflecting approximately 2%-3% year-over-year growth; and
- Strong leverage metrics, targeting Adjusted Debt to EBITDAFV below 7.5x.

14. NON-GAAP FINANCIAL MEASURES

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

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. • 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" 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 its financing or the costs of operating the entity in which it is held. • Management believes that NOI is an important measure of operating performance for the Trust's commercial real estate assets that is used by real estate industry analysts, investors and management, while also being a key input in determining the fair value of the Choice Properties portfolio.	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 its financing or the costs of operating the entity in which it is held. • Management believes NOI, Cash Basis is a useful measure in understanding period-over-period changes in income from operations due to occupancy, rental rates, operating costs and realty taxes.	Section 7.1, "Net Income and Segment NOI Reconciliation" Section 14.1, "Net Operating Income"
Same-Asset NOI, Cash Basis and Same-Asset NOI, Accounting Basis	• Same-Asset NOI is used to evaluate the period-over-period performance of those commercial properties and stabilized residential properties, owned and operated by Choice Properties since January 1, 2024, inclusive. • NOI from properties that have been (i) purchased, (ii) disposed, (iii) subject to significant change as a result of new development, redevelopment, expansion, or demolition, or (iv) residential properties not yet stabilized (collectively, "Transactions") are excluded from the determination of Same-Asset NOI. • Same-Asset NOI, Cash Basis, is useful in evaluating the realization of contractual rental rate changes embedded in lease agreements and/or the expiry of rent-free periods, while also being a useful measure in understanding period-over-period changes in NOI due to occupancy, rental rates, operating costs and realty taxes, before considering the changes in NOI that can be attributed to Transactions and development activities.	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. • Management considers FFO to be a useful measure of operating performance as it adjusts for items included in net income (or loss) that do not arise from operating activities or do not necessarily provide an accurate depiction of the Trust's past or recurring performance, such as adjustments to fair value of Exchangeable Units, investment properties, investment in real estate securities, and unit-based compensation. From time to time, the Trust may enter into transactions that materially impact the calculation and are eliminated from the calculation for management's review purposes. • Management uses and believes that FFO is a useful measure of the Trust's performance that, when compared period over period, reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and realty taxes, acquisition activities and interest costs.	Section 14.2, "Funds from Operations" Section 14.7, "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. • Management considers AFFO to be a useful measure of operating performance as it further adjusts FFO for capital expenditures that sustain income producing properties and eliminates the impact of straight-line rental revenue. AFFO is impacted by the seasonality inherent in the timing of executing property capital projects. • In calculating AFFO, FFO is adjusted to exclude straight-line rental revenue, and deduct expenditure relating to internal leasing activities and property capital projects. Working capital changes, viewed as short-term cash requirements or surpluses are deemed financing activities pursuant to the methodology and are not considered when calculating AFFO. • Capital expenditures which are not deducted in the calculation of AFFO comprise those which generate a new investment stream, such as constructing a new retail pad during property expansion or intensification, development activities or acquisition activities. • Accordingly, AFFO differs from FFO in that AFFO excludes from its definition certain non-cash revenues and expenses recognized under GAAP, such as straight-line rental revenue, but also includes capital and leasing costs incurred during the period which are capitalized for GAAP purposes. From time to time, the Trust may enter into transactions that materially impact the calculation and are eliminated from the calculation for management's review purposes.	Section 14.3, "Adjusted Funds from Operations" Section 14.7, "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. • Management views ACFO as a useful measure of the cash generated from operations after providing for operating capital requirements, and in evaluating the ability of Choice Properties to fund distributions to Unitholders. ACFO adjusts cash flows from operations as calculated under GAAP including, but not limited to, removing the effects of distributions on Exchangeable Units, deducting amounts for property capital expenditures to sustain existing GLA and for leasing capital expenditures. • The resulting ACFO will include the impact of the seasonality of property capital expenditures and the impact of fluctuations from normal operating working capital, such as changes to net rent receivable from tenants, trade accounts payable and accrued liabilities. • From time to time, the Trust may enter into transactions that materially impact the calculation and are eliminated from the calculation for management's review purposes.	Section 14.4, "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. • 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 (loss) 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. • 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 14.6, “Earnings before Interest, Taxes, Depreciation, Amortization and Fair Value”
Cash Retained after Distributions	• Calculated as ACFO less cash distributions declared. • Represents the portion of ACFO retained within Choice Properties which can be used to invest in new acquisitions, development properties and capital activity.	Section 4.4, “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, and does not include the Exchangeable Units which are included as part of unit equity on account of the Exchangeable Units being economically equivalent and receiving equal distributions to the Trust Units. • Total Adjusted Debt is presented on a net basis to include the impact of other finance charges such as debt placement costs and discounts or premiums, and defeasance or other prepayments of debt.	Section 4.5, “Components of Total Adjusted Debt”
Net Asset Value (“NAV”)	• NAV is an alternative measurement of equity. It is calculated by summing Unitholder’s Equity and the fair value of the Trust’s Exchangeable Units. Under GAAP, Exchangeable Units are considered debt. The Exchangeable Units are not required to be repaid and the holder of these units has the right to convert them into Units, therefore management considers the Exchangeable Units to be equivalent to equity. • NAV is a useful measure as it reflects management’s view of the intrinsic value of the Trust. NAV per unit allows management to determine if the Trust is trading at a discount or premium to its intrinsic value.	Section 4.9, “Net Asset Value”
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. • Management believes this ratio is useful in evaluating the Trust’s flexibility to incur additional financial leverage.	Section 4.6, “Financial Condition” Section 14.7, “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. • This ratio is useful in determining the ability of Choice Properties to service the interest and principal installment requirements of its outstanding debt.	Section 4.6, “Financial Condition” Section 14.7, “Selected Information for Comparative Purpose”
Adjusted Debt to EBITDAFV and Adjusted Debt to EBITDAFV, net of cash	• Calculated as Total Adjusted Debt divided by EBITDAFV. • This ratio is used to assess the financial leverage of Choice Properties, measure its ability to meet financial obligations, and provide a snapshot of its balance sheet strength. • Management also presents this ratio with Total Adjusted Debt calculated net of cash and cash equivalents at the measurement date.	Section 4.6, “Financial Condition”
Interest Coverage	• Calculated as EBITDAFV divided by interest expense on the Total Adjusted Debt incurred by Choice Properties for the period. • This ratio is useful in determining Choice Properties’ ability to service the interest requirements of its outstanding debt.	Section 4.6, “Financial Condition”
Liquidity	• Calculated based on the sum of total cash and cash equivalents and the undrawn portion of the revolving unsecured operating line of credit.	Section 4, “Liquidity and Capital Resources” Section 4.1, “Liquidity and Capital Structure”

14.1 Net Operating Income

The following table reconciles net (loss) 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 June 30 ($ thousands)	Three Months			Six Months		
	2025	2024	Change $	**2025**	2024	Change $
Net (Loss) Income	**$ (154,247)**	$ 513,231	$ (667,478)	**$ (250,480)**	$ 655,510	$ (905,990)
Residential inventory income	**—**	—	—	**—**	(2,034)	2,034
Interest income	**(9,028)**	(15,275)	6,247	**(20,689)**	(25,034)	4,345
Investment income	**(5,315)**	(5,315)	—	**(10,630)**	(10,630)	—
Fee income	**(738)**	(625)	(113)	**(3,208)**	(1,326)	(1,882)
Net interest expense and other financing charges	**148,957**	146,204	2,753	**295,146**	288,488	6,658
General and administrative expenses	**14,976**	17,200	(2,224)	**29,713**	31,838	(2,125)
Share of income from equity accounted joint ventures	**(5,720)**	(1,370)	(4,350)	**(21,875)**	(6,088)	(15,787)
Amortization of intangible assets	**250**	250	—	**500**	500	—
Transaction costs and other related expenses	**—**	(38,615)	38,615	**—**	(38,615)	38,615
Adjustment to fair value of unit-based compensation	**875**	(1,288)	2,163	**893**	(2,069)	2,962
Adjustment to fair value of Exchangeable Units	**364,124**	(372,039)	736,163	**601,596**	(439,323)	1,040,919
Adjustment to fair value of investment properties	**(93,486)**	(28,035)	(65,451)	**(123,444)**	(26,670)	(96,774)
Adjustment to fair value of investment in real estate securities	**(9,093)**	27,870	(36,963)	**(119)**	57,511	(57,630)
Income tax expense (recovery)	**1**	—	1	**2**	(12)	14
Net Operating Income, Accounting Basis - GAAP	**251,556**	242,193	9,363	**497,405**	482,046	15,359
Straight-line rental revenue	**570**	1,434	(864)	**937**	1,173	(236)
Lease surrender revenue	**(74)**	(1,224)	1,150	**(158)**	(3,773)	3,615
Net Operating Income, Cash Basis - GAAP	**252,052**	242,403	9,649	**498,184**	479,446	18,738
Adjustments for equity accounted joint ventures and financial real estate assets	**16,347**	14,165	2,182	**32,285**	28,755	3,530
Net Operating Income, Cash Basis - Proportionate Share	**$ 268,399**	$ 256,568	$ 11,831	**$ 530,469**	$ 508,201	$ 22,268

14.2 Funds from Operations

The following table reconciles net (loss) 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 June 30 ($ thousands except where otherwise indicated)	Three Months 2025	Three Months 2024	Three Months Change $	Six Months 2025	Six Months 2024	Six Months Change $
Net (Loss) Income	**$ (154,247)**	$ 513,231	$ (667,478)	**$ (250,480)**	$ 655,510	$ (905,990)
Add (deduct) impact of the following:						
Amortization of intangible assets	**250**	250	—	**500**	500	—
Transaction costs and other related expenses	**—**	(38,615)	38,615	**—**	(38,615)	38,615
Adjustment to fair value of unit-based compensation	**875**	(1,288)	2,163	**893**	(2,069)	2,962
Adjustment to fair value of Exchangeable Units	**364,124**	(372,039)	736,163	**601,596**	(439,323)	1,040,919
Adjustment to fair value of investment properties	**(93,486)**	(28,035)	(65,451)	**(123,444)**	(26,670)	(96,774)
Adjustment to fair value of investment properties to proportionate share	**2,451**	2,493	(42)	**(7,569)**	4,688	(12,257)
Adjustment to fair value of investment in real estate securities	**(9,093)**	27,870	(36,963)	**(119)**	57,511	(57,630)
Interest otherwise capitalized for development in equity accounted joint ventures	**2,340**	3,069	(729)	**4,836**	5,577	(741)
Distributions on Exchangeable Units(i)	**76,189**	75,199	990	**151,718**	149,739	1,979
Internal expenses for leasing	**2,163**	2,579	(416)	**4,573**	5,067	(494)
Income tax expense (recovery)	**1**	—	1	**2**	(12)	14
Funds from Operations	**$ 191,567**	$ 184,714	$ 6,853	**$ 382,506**	$ 371,903	$ 10,603
FFO per unit - diluted	**$ 0.265**	$ 0.255	$ 0.010	**$ 0.528**	$ 0.514	$ 0.014
FFO payout ratio - diluted(ii)	**72.7 %**	74.4 %	(1.7)%	**72.5 %**	73.6 %	(1.1)%
Distribution declared per unit	**$ 0.193**	$ 0.190	$ 0.003	**$ 0.384**	$ 0.378	$ 0.006
Weighted average number of units outstanding - diluted(iii)	**723,810,797**	723,659,539	151,258	**723,790,848**	723,664,669	126,179

(i) Represents interest on indebtedness due to GWL.
(ii) FFO payout ratio is calculated as cash distributions declared divided by FFO.
(iii) Includes Trust Units and Exchangeable Units.

FFO as calculated on a proportionate share basis:

For the periods ended June 30 ($ thousands except where otherwise indicated)	Three Months 2025	Three Months 2024	Three Months Change $	Six Months 2025	Six Months 2024	Six Months Change $
Net Operating Income, Cash Basis	**$ 268,399**	$ 256,568	$ 11,831	**$ 530,469**	$ 508,201	$ 22,268
Straight-line rental revenue	**965**	(776)	1,741	**1,964**	99	1,865
Lease surrender revenue	**74**	1,224	(1,150)	**158**	3,773	(3,615)
Net Operating Income, Accounting Basis	**269,438**	257,016	12,422	**532,591**	512,073	20,518
Residential inventory income	**—**	—	—	**—**	2,034	(2,034)
Interest income	**6,135**	9,128	(2,993)	**13,486**	16,959	(3,473)
Investment income	**5,315**	5,315	—	**10,630**	10,630	—
Fee income	**738**	625	113	**3,208**	1,326	1,882
Net interest expense and other financing charges	**(155,775)**	(151,017)	(4,758)	**(308,823)**	(299,664)	(9,159)
Distributions on Exchangeable Units(i)	**76,189**	75,199	990	**151,718**	149,739	1,979
Interest otherwise capitalized for development in equity accounted joint ventures	**2,340**	3,069	(729)	**4,836**	5,577	(741)
General and administrative expenses	**(14,976)**	(17,200)	2,224	**(29,713)**	(31,838)	2,125
Internal expenses for leasing	**2,163**	2,579	(416)	**4,573**	5,067	(494)
Funds from Operations	**$ 191,567**	$ 184,714	$ 6,853	**$ 382,506**	$ 371,903	$ 10,603
FFO per unit - diluted	**$ 0.265**	$ 0.255	$ 0.010	**$ 0.528**	$ 0.514	$ 0.014
FFO payout ratio - diluted(ii)	**72.7 %**	74.4 %	(1.7)%	**72.5 %**	73.6 %	(1.1)%
Distribution declared per unit	**$ 0.193**	$ 0.190	$ 0.003	**$ 0.384**	$ 0.378	$ 0.006
Weighted average number of units outstanding - diluted(iii)	**723,810,797**	723,659,539	151,258	**723,790,848**	723,664,669	126,179

(i) Represents interest on indebtedness due to GWL.
(ii) FFO payout ratio is calculated as cash distributions declared divided by FFO.
(iii) Includes Trust Units and Exchangeable Units.

14.3 Adjusted Funds from Operations

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

For the periods ended June 30 ($ thousands except where otherwise indicated)	Three Months 2025	Three Months 2024	Three Months Change $	Six Months 2025	Six Months 2024	Six Months Change $
Funds from Operations	**$ 191,567**	$ 184,714	$ 6,853	**$ 382,506**	$ 371,903	$ 10,603
Add (deduct) impact of the following:						
Internal expenses for leasing	**(2,163)**	(2,579)	416	**(4,573)**	(5,067)	494
Straight-line rental revenue	**570**	1,434	(864)	**937**	1,173	(236)
Straight-line rental revenue adjustment to proportionate share	**(1,535)**	(658)	(877)	**(2,901)**	(1,272)	(1,629)
Property capital	**(12,171)**	(2,606)	(9,565)	**(12,600)**	(7,000)	(5,600)
Direct leasing costs	**(2,316)**	(2,024)	(292)	**(3,775)**	(3,196)	(579)
Tenant improvements	**(5,487)**	(1,369)	(4,118)	**(8,814)**	(4,395)	(4,419)
Operating capital expenditures adjustment to proportionate share	**(1,520)**	(312)	(1,208)	**(3,570)**	(2,400)	(1,170)
Adjusted Funds from Operations	**$ 166,945**	$ 176,600	$ (9,655)	**$ 347,210**	$ 349,746	$ (2,536)
AFFO per unit - diluted	**$ 0.231**	$ 0.244	$ (0.013)	**$ 0.480**	$ 0.483	$ (0.003)
AFFO payout ratio - diluted(i)	**83.5 %**	77.9 %	5.6 %	**79.9 %**	78.3 %	1.6 %
Distribution declared per unit	**$ 0.193**	$ 0.190	$ 0.003	**$ 0.384**	$ 0.378	$ 0.006
Weighted average number of units outstanding - diluted(ii)	**723,810,797**	723,659,539	151,258	**723,790,848**	723,664,669	126,179

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

14.4 Adjusted Cash Flow from Operations

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

For the periods ended June 30 ($ thousands except where otherwise indicated)	Three Months 2025	Three Months 2024	Three Months Change $	Six Months 2025	Six Months 2024	Six Months Change $
Cash Flows from Operating Activities	**$ 160,037**	$ 136,282	$ 23,755	**$ 299,398**	$ 277,874	$ 21,524
Add (deduct) impact of the following:						
Net interest expense and other financing charges in excess of interest paid(i)	**(90,112)**	(90,190)	78	**(152,967)**	(148,586)	(4,381)
Distributions on Exchangeable Units included in net interest expense and other financing charges	**76,189**	75,199	990	**151,718**	149,739	1,979
Interest and other income in excess of interest received(i)	**673**	3,553	(2,880)	**(16,620)**	4,860	(21,480)
Interest otherwise capitalized for development in equity accounted joint ventures	**2,340**	3,069	(729)	**4,836**	5,577	(741)
Portion of internal expenses for leasing relating to development activity	**1,082**	1,290	(208)	**2,287**	2,534	(247)
Adjustment for property capital expenditures on a proportionate share basis	**(12,940)**	(2,585)	(10,355)	**(14,332)**	(7,038)	(7,294)
Adjustment for leasing expenditures to a proportionate share basis	**(751)**	(333)	(418)	**(1,838)**	(2,362)	524
Transaction costs and other related expenses	**—**	(38,615)	38,615	**—**	(38,615)	38,615
Adjustment for proportionate share of operating income from equity accounted joint ventures(ii)	**8,171**	3,863	4,308	**14,306**	10,776	3,530
Adjustment for distributions from equity accounted joint ventures	**(2,244)**	(9,247)	7,003	**(9,374)**	(17,856)	8,482
Adjustment for additions to residential inventory	**—**	—	—	**—**	2,544	(2,544)
Adjustment for changes in non-cash working capital items not indicative of sustainable operating cash flows(iii)	**33,009**	112,289	(79,280)	**74,220**	129,033	(54,813)
Adjusted Cash Flow from Operations	**175,454**	194,575	(19,121)	**351,634**	368,480	(16,846)
Cash distributions declared	**139,334**	137,492	1,842	**277,455**	273,779	3,676
Cash Retained after Distributions	**$ 36,120**	$ 57,083	$ (20,963)	**$ 74,179**	$ 94,701	$ (20,522)
ACFO Payout Ratio(iv)	**79.4 %**	70.7 %	8.7 %	**78.9 %**	74.3 %	4.6 %

(i) The timing of the recognition of interest expense and income differs from the cash payment and collection.
(ii) Excludes adjustment to fair value of investment properties for equity accounted joint ventures.
(iii) ACFO is adjusted each quarter for fluctuations in non-cash working capital due to the timing of realty taxes prepaid or payable and prepaid insurance. The payments for these operating expenses tend to have quarterly, seasonal fluctuations that even out on an annual basis. ACFO is also adjusted each quarter to remove fluctuations in non-cash working capital, which are not related to sustainable operating activities.
(iv) ACFO payout ratio is calculated as the cash distributions declared divided by ACFO.

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

For the periods ended June 30 ($ thousands)	Three Months 2025	Three Months 2024	Three Months Change $	Six Months 2025	Six Months 2024	Six Months Change $
Net change in non-cash working capital(i)	**$ (28,579)**	$ (97,939)	$ 69,360	**$ (76,191)**	$ (114,719)	$ 38,528
Adjustment for changes in non-cash working capital items not indicative of sustainable operating cash flows	**33,009**	112,289	(79,280)	**74,220**	129,033	(54,813)
Net non-cash working capital decrease included in ACFO	**$ 4,430**	$ 14,350	$ (9,920)	**$ (1,971)**	$ 14,314	$ (16,285)

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

14.5 Net Interest Expense and Other Financing Charges Reconciliation

The following tables reconcile net interest expense and other financing charges as determined in accordance with GAAP to net interest expense and other financing charges on a proportionate share basis[1] for the periods ended as indicated:

For the three months ended June 30 ($ thousands)	2025 GAAP Basis	2025 Adjustment to Proportionate Share Basis[1]	2025 Proportionate Share Basis[1]	2024 GAAP Basis	2024 Adjustment to Proportionate Share Basis[1]	2024 Proportionate Share Basis[1]
Interest on senior unsecured debentures	$ 56,714	$ —	$ 56,714	$ 57,732	$ —	$ 57,732
Interest on mortgages and construction loans	13,202	7,620	20,822	11,528	5,126	16,654
Interest on credit facility	2,649	—	2,649	1,160	—	1,160
Subtotal (for use in Debt Service Coverage[1] calculation)	72,565	7,620	80,185	70,420	5,126	75,546
Distributions on Exchangeable Units[i]	76,189	—	76,189	75,199	—	75,199
Subtotal (for use in EBITDAFV[1] calculation)	148,754	7,620	156,374	145,619	5,126	150,745
Interest on right-of-use lease liabilities	10	—	10	12	—	12
Amortization of debt discounts and premiums	128	49	177	227	(5)	222
Amortization of debt placement costs	1,111	178	1,289	1,119	158	1,277
Capitalized interest	(1,046)	(1,029)	(2,075)	(773)	(466)	(1,239)
Net interest expense and other financing charges	$ 148,957	$ 6,818	$ 155,775	$ 146,204	$ 4,813	$ 151,017

(i) Represents interest on indebtedness due to GWL.

For the six months ended June 30 ($ thousands)	2025 GAAP Basis	2025 Adjustment to Proportionate Share Basis[1]	2025 Proportionate Share Basis[1]	2024 GAAP Basis	2024 Adjustment to Proportionate Share Basis[1]	2024 Proportionate Share Basis[1]
Interest on senior unsecured debentures	$ 112,616	$ —	$ 112,616	$ 113,700	$ —	$ 113,700
Interest on mortgages and construction loans	26,688	16,100	42,788	21,488	12,340	33,828
Interest on credit facility	3,823	—	3,823	2,209	—	2,209
Subtotal (for use in Debt Service Coverage[1] calculation)	143,127	16,100	159,227	137,397	12,340	149,737
Distributions on Exchangeable Units[i]	151,718	—	151,718	149,739	—	149,739
Subtotal (for use in EBITDAFV[1] calculation)	294,845	16,100	310,945	287,136	12,340	299,476
Interest on right-of-use lease liabilities	20	—	20	24	—	24
Amortization of debt discounts and premiums	263	263	526	388	49	437
Amortization of debt placement costs	2,173	353	2,526	2,257	312	2,569
Capitalized interest	(2,155)	(3,039)	(5,194)	(1,317)	(1,525)	(2,842)
Net interest expense and other financing charges	$ 295,146	$ 13,677	$ 308,823	$ 288,488	$ 11,176	$ 299,664

(i) Represents interest on indebtedness due to GWL.

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

The following table reconciles net (loss) 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 June 30 ($ thousands)	Three Months 2025	Three Months 2024	Three Months Change $	Six Months 2025	Six Months 2024	Six Months Change $
Net (Loss) Income	**$ (154,247)**	$ 513,231	$ (667,478)	**$ (250,480)**	$ 655,510	$ (905,990)
Add (deduct) impact of the following:						
Transaction costs and other related expenses	**—**	(38,615)	38,615	**—**	(38,615)	38,615
Adjustment to fair value of unit-based compensation	**875**	(1,288)	2,163	**893**	(2,069)	2,962
Adjustment to fair value of Exchangeable Units	**364,124**	(372,039)	736,163	**601,596**	(439,323)	1,040,919
Adjustment to fair value of investment properties	**(93,486)**	(28,035)	(65,451)	**(123,444)**	(26,670)	(96,774)
Adjustment to fair value of investment properties to proportionate share	**2,451**	2,493	(42)	**(7,569)**	4,688	(12,257)
Adjustment to fair value of investment in real estate securities	**(9,093)**	27,870	(36,963)	**(119)**	57,511	(57,630)
Interest expense on a proportionate share basis[1][i]	**156,374**	150,745	5,629	**310,945**	299,476	11,469
Amortization of other assets	**315**	314	1	**631**	625	6
Amortization of intangible assets	**250**	250	—	**500**	500	—
Income tax expense (recovery)	**1**	—	1	**2**	(12)	14
Earnings Before Interest, Taxes, Depreciation, Amortization and Fair Value (EBITDAFV)	**$ 267,564**	$ 254,926	$ 12,638	**$ 532,955**	$ 511,621	$ 21,334

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

14.7 Selected Information For Comparative Purposes

The following table reconciles net (loss) 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.

($ thousands except where otherwise indicated)	Second Quarter 2025	First Quarter 2025	Fourth Quarter 2024	Third Quarter 2024	Second Quarter 2024	First Quarter 2024	Fourth Quarter 2023	Third Quarter 2023	Second Quarter 2023
Net (loss) income	$ (154,247)	$ (96,233)	$ 791,916	$ (662,989)	$ 513,231	$ 142,279	$ (445,684)	$ 435,903	$ 535,668
Amortization of intangible assets	250	250	250	250	250	250	250	250	250
Transaction costs and other related expenses	—	—	55	—	(38,615)	—	—	—	9
Adjustment to fair value of unit-based compensation	875	18	(1,927)	3,339	(1,288)	(781)	1,435	(643)	(998)
Adjustment to fair value of Exchangeable Units	364,124	237,472	(704,500)	906,351	(372,039)	(67,284)	502,649	(352,250)	(375,997)
Adjustment to fair value of investment properties	(93,486)	(29,958)	16,112	(82,173)	(28,035)	1,365	74,445	(26,775)	(86,053)
Adjustment to fair value of investment properties to proportionate share(1)	2,451	(10,020)	(29,752)	(620)	2,493	2,195	(1,164)	346	132
Adjustment to fair value of investment in real estate securities	(9,093)	8,974	36,254	(57,983)	27,870	29,641	(26,570)	44,757	31,176
Interest otherwise capitalized for development in equity accounted joint ventures	2,340	2,496	2,975	3,119	3,069	2,508	2,670	2,933	2,939
Exchangeable Units distributions	76,189	75,529	75,199	75,199	75,199	74,540	74,210	74,210	74,210
Internal expenses for leasing	2,163	2,410	2,695	2,154	2,579	2,488	2,399	2,282	2,254
Income tax expense (recovery)	1	1	(1,057)	—	—	(12)	—	—	—
Funds from Operations	$ 191,567	$ 190,939	$ 188,220	$ 186,647	$ 184,714	$ 187,189	$ 184,640	$ 181,013	$ 183,590
FFO per unit - diluted	$ 0.265	$ 0.264	$ 0.260	$ 0.258	$ 0.255	$ 0.259	$ 0.255	$ 0.250	$ 0.254
FFO payout ratio - diluted(i)	72.7 %	72.3 %	73.1 %	73.7 %	74.4 %	72.8 %	73.5 %	75.0 %	73.9 %
Distribution declared per unit	$ 0.193	$ 0.191	$ 0.190	$ 0.190	$ 0.190	$ 0.188	$ 0.188	$ 0.188	$ 0.188
Weighted average number of units outstanding - diluted(ii)	723,810,797	723,770,677	723,726,328	723,683,222	723,659,539	723,666,036	723,662,727	723,664,818	723,656,668

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

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

($ thousands except where otherwise indicated)	Second Quarter 2025	First Quarter 2025	Fourth Quarter 2024	Third Quarter 2024	Second Quarter 2024	First Quarter 2024	Fourth Quarter 2023	Third Quarter 2023	Second Quarter 2023
Funds from operations	**$ 191,567**	$ 190,939	$ 188,220	$ 186,647	$ 184,714	$ 187,189	$ 184,640	$ 181,013	$ 183,590
Add (deduct) impact of the following:									
Internal expenses for leasing	**(2,163)**	(2,410)	(2,695)	(2,154)	(2,579)	(2,488)	(2,399)	(2,282)	(2,254)
Straight-line rental revenue	**570**	367	675	346	1,434	(261)	(446)	839	898
Straight-line rental revenue adjustment to proportionate share	**(1,535)**	(1,366)	(1,736)	(620)	(658)	(614)	(626)	(925)	(777)
Property capital	**(12,171)**	(429)	(61,315)	(11,890)	(2,606)	(4,394)	(46,491)	(31,513)	(5,764)
Direct leasing costs	**(2,316)**	(1,459)	(1,738)	(2,890)	(2,024)	(1,172)	(1,357)	(1,681)	(793)
Tenant improvements	**(5,487)**	(3,327)	(10,107)	(2,295)	(1,369)	(3,026)	(4,381)	(8,323)	(3,686)
Operating capital expenditures adjustment to proportionate share	**(1,520)**	(2,050)	(1,978)	(1,268)	(312)	(2,088)	(1,845)	(570)	(814)
Adjusted Funds from Operations	**$ 166,945**	$ 180,265	$ 109,326	$ 165,876	$ 176,600	$ 173,146	$ 127,095	$ 136,558	$ 170,400
AFFO per unit - diluted	**$ 0.231**	$ 0.249	$ 0.151	$ 0.229	$ 0.244	$ 0.239	$ 0.176	$ 0.189	$ 0.235
AFFO payout ratio - diluted(i)	**83.5 %**	76.6 %	125.8 %	82.9 %	77.9 %	78.7 %	106.8 %	99.4 %	79.6 %
Weighted average number of units outstanding - diluted(ii)	**723,810,797**	723,770,677	723,726,328	723,683,222	723,659,539	723,666,036	723,662,727	723,664,818	723,656,668

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

Components of certain financial leverage ratios

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

	Second Quarter 2025	First Quarter 2025	Fourth Quarter 2024	Third Quarter 2024	Second Quarter 2024	First Quarter 2024	Fourth Quarter 2023	Third Quarter 2023	Second Quarter 2023
Total Assets - Proportionate Basis	**$18,518,958**	$ 18,069,141	$ 18,219,439	$ 18,042,431	$18,243,332	$17,467,013	$17,889,244	$17,800,387	$17,624,482
Debt Service Coverage Ratio - Denominator	**$ 89,251**	$ 88,815	$ 87,597	$ 89,641	$ 83,587	$ 82,312	$ 84,686	$ 84,449	$ 79,923

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

(in thousands of Canadian dollars)	Note		As at June 30, 2025		As at December 31, 2024
Assets					
Investment properties	4	**$**	**15,821,000**	$	15,331,000
Equity accounted joint ventures	5		**882,895**		884,431
Financial real estate assets	6		**200,843**		199,374
Residential development inventory			**2,095**		2,095
Mortgages, loans and notes receivable	7		**432,919**		720,205
Investment in real estate securities			**202,645**		202,526
Intangible assets			**12,464**		12,964
Accounts receivable and other assets	8		**144,178**		105,594
Assets held for sale	3		**—**		35,955
Cash and cash equivalents	17(c)		**25,360**		63,388
Total Assets		**$**	**17,724,399**	$	17,557,532
Liabilities and Equity					
Long term debt	9	**$**	**6,621,420**	$	6,684,940
Credit facility	10		**196,453**		—
Exchangeable Units	11		**5,885,346**		5,283,750
Trade payables and other liabilities	12		**499,460**		689,042
Total Liabilities			**13,202,679**		12,657,732
Equity					
Unitholders' equity	11		**4,521,720**		4,899,800
Total Equity			**4,521,720**		4,899,800
Total Liabilities and Equity		**$**	**17,724,399**	$	17,557,532

Contingencies, Commitments, and Guarantees (Note 19).
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]
Diane Kazarian
Chair, Audit Committee

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

		Three Months		Six Months	
(in thousands of Canadian dollars)	Note	**June 30, 2025**	June 30, 2024	**June 30, 2025**	June 30, 2024
Net Rental Income					
Rental revenue	13	**$ 350,779**	$ 335,388	**$ 697,691**	$ 673,346
Property operating costs	14	**(99,223)**	(93,195)	**(200,286)**	(191,300)
		251,556	242,193	**497,405**	482,046
Residential Inventory Income					
Gross sales		**—**	—	**—**	11,268
Cost of sales		**—**	—	**—**	(9,234)
		—	—	**—**	2,034
Other Income and Expenses					
Interest income		**9,028**	15,275	**20,689**	25,034
Investment income		**5,315**	5,315	**10,630**	10,630
Fee income		**738**	625	**3,208**	1,326
Net interest expense and other financing charges	15	**(148,957)**	(146,204)	**(295,146)**	(288,488)
General and administrative expenses		**(14,976)**	(17,200)	**(29,713)**	(31,838)
Share of income from equity accounted joint ventures		**5,720**	1,370	**21,875**	6,088
Amortization of intangible assets		**(250)**	(250)	**(500)**	(500)
Transaction costs and other related expenses		**—**	38,615	**—**	38,615
Adjustment to fair value of unit-based compensation		**(875)**	1,288	**(893)**	2,069
Adjustment to fair value of Exchangeable Units	11	**(364,124)**	372,039	**(601,596)**	439,323
Adjustment to fair value of investment properties	4	**93,486**	28,035	**123,444**	26,670
Adjustment to fair value of investment in real estate securities		**9,093**	(27,870)	**119**	(57,511)
(Loss) Income before Income Taxes		**(154,246)**	513,231	**(250,478)**	655,498
Income tax (expense) recovery		**(1)**	—	**(2)**	12
Net (Loss) Income		**$ (154,247)**	$ 513,231	**$ (250,480)**	$ 655,510

Net (Loss) Income		**$ (154,247)**	$ 513,231	**$ (250,480)**	$ 655,510
Other Comprehensive Income (Loss)					
Unrealized gain (loss) on designated hedging instruments	16	**855**	(2,039)	**(1,195)**	1,385
Other Comprehensive Income (Loss)		**855**	(2,039)	**(1,195)**	1,385
Comprehensive (Loss) Income		**$ (153,392)**	$ 511,192	**$ (251,675)**	$ 656,895

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, 2024		$ 3,659,456	$ 3,160,123	$ 3,587	$ (1,923,366)	$ 4,899,800
Net loss		—	(250,480)	—	—	(250,480)
Other comprehensive loss		—	—	(1,195)	—	(1,195)
Distributions		—	—	—	(125,737)	(125,737)
Units issued under unit-based compensation arrangements	11	1,320	—	—	—	1,320
Reclassification of vested Unit-Settled Restricted Units liability to equity	11	1,743	—	—	—	1,743
Units repurchased for unit-based compensation arrangements	11	(3,731)	—	—	—	(3,731)
Equity, June 30, 2025		**$ 3,658,788**	**$ 2,909,643**	**$ 2,392**	**$ (2,049,103)**	**$ 4,521,720**

(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, 2023	$ 3,660,985	$ 2,375,686	$ 6,551	$ (1,674,720)	$ 4,368,502
Net income	—	655,510	—	—	655,510
Other comprehensive income	—	—	1,385	—	1,385
Distributions	—	—	—	(124,040)	(124,040)
Reclassification of vested Unit-Settled Restricted Units liability to equity	1,452	—	—	—	1,452
Units repurchased for unit-based compensation arrangements	(3,986)	—	—	—	(3,986)
Equity, June 30, 2024	$ 3,658,451	$ 3,031,196	$ 7,936	$ (1,798,760)	$ 4,898,823

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 June 30, 2025	Three Months June 30, 2024	Six Months June 30, 2025	Six Months June 30, 2024
Operating Activities					
Net (loss) income		**$ (154,247)**	$ 513,231	**$ (250,480)**	$ 655,510
Net interest expense and other financing charges	15	**148,957**	146,204	**295,146**	288,488
Interest paid		**(58,845)**	(56,014)	**(142,179)**	(139,902)
Interest income		**(9,028)**	(15,275)	**(20,689)**	(25,034)
Interest received		**8,355**	11,722	**37,309**	20,174
Share of income from equity accounted joint ventures		**(5,720)**	(1,370)	**(21,875)**	(6,088)
Distributions from equity accounted joint ventures		**2,244**	9,247	**9,374**	17,856
Additions to residential inventory		**—**	—	**—**	(2,544)
Direct leasing costs and tenant improvement allowances	4	**(7,803)**	(3,393)	**(12,589)**	(7,591)
Cash paid on vesting of restricted and performance units		**(158)**	—	**(2,213)**	(2,575)
Items not affecting cash and other items	17(a)	**264,861**	(370,131)	**483,785**	(405,701)
Net change in non-cash working capital	17(b)	**(28,579)**	(97,939)	**(76,191)**	(114,719)
Cash Flows from Operating Activities		**160,037**	136,282	**299,398**	277,874
Investing Activities					
Acquisitions of investment properties	3	**(327,433)**	(20,938)	**(361,130)**	(59,371)
Additions to investment properties	4	**(28,305)**	(20,656)	**(59,712)**	(62,199)
Additions to financial real estate assets	6	**(5)**	(31)	**(53)**	(34)
Contributions to equity accounted joint ventures		**(8,768)**	(23,140)	**(30,637)**	(24,594)
Distribution of disposition proceeds from equity accounted joint ventures	5	**—**	48,479	**27,903**	48,479
Return of capital distribution from equity accounted joint ventures		**—**	28,500	**—**	28,500
Mortgages, loans and notes receivable advances		**(83,393)**	(107,262)	**(179,958)**	(182,394)
Mortgages, loans and notes receivable repayments		**2,409**	10,120	**147,906**	31,130
Proceeds from dispositions	3	**76,275**	5,589	**112,230**	28,914
Cash Flows used in Investing Activities		**(369,220)**	(79,339)	**(343,451)**	(191,569)
Financing Activities					
Proceeds from issuance of debentures, net	9	**—**	497,400	**298,521**	497,400
Repayments of debentures	9	**—**	—	**(350,000)**	(200,000)
Net (repayments) advances of mortgages payable	9	**(6,928)**	173,629	**(14,145)**	117,314
Net advances (repayments) on construction loans	9	**46**	(20,545)	**76**	(6,104)
Net advances (repayments) of credit facility	10	**200,000**	(35,000)	**200,000**	—
Payment of credit facility extension fee	10	**(562)**	—	**(562)**	—
Cash received on exercise of options		**—**	—	**1,229**	—
Repurchase of units for unit-based compensation arrangement	11	**(18)**	(250)	**(3,731)**	(3,986)
Distributions paid on Trust Units		**(63,051)**	(62,293)	**(125,363)**	(123,767)
Cash Flows from Financing Activities		**129,487**	552,941	**6,025**	280,857
Change in cash and cash equivalents		**(79,696)**	609,884	**(38,028)**	367,162
Cash and cash equivalents, beginning of period		**105,056**	9,702	**63,388**	252,424
Cash and Cash Equivalents, End of Period	17(c)	**$ 25,360**	$ 619,586	**$ 25,360**	$ 619,586

Supplemental disclosure of non-cash operating activities (Note 17).
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 June 30, 2025, 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 2024 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 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, 2024.

These condensed consolidated financial statements were authorized for issuance by the Board of Trustees ("Board") for Choice Properties on July 17, 2025.

Note 3. Investment Property and Other Transactions

The following table summarizes the investment properties acquired in the six months ended June 30, 2025:

($ thousands except where otherwise indicated)						Consideration	
Property / Location	**Date of Acquisition**	**Segment**	**Ownership Interest Acquired**	**Purchase Price**	**Purchase Price incl. Related Costs**	**Cash**	**Deferred Cash**
Investment properties							
35 Worthington Ave., Brampton, ON	Feb 4	Retail	100%	$ 33,200	$ 33,697	$ 33,697	$ —
500 Bayly St. E, Ajax, ON(i)	Apr 3	Industrial	100%	182,290	182,871	165,471	17,400
Acquisitions from related parties (Note 20)				**215,490**	**216,568**	**199,168**	**17,400**
Portfolio of 8 assets across Canada	Apr 17	Industrial	100%	158,000	161,962	161,962	—
Acquisitions from third parties				**158,000**	**161,962**	**161,962**	**—**
Total acquisitions				**$ 373,490**	**$ 378,530**	**$ 361,130**	**$ 17,400**

(i) Consideration includes an accrued amount of $17,400 expected to be paid in H2-2025 (Note 12).

The following table summarizes the investment properties sold in the six months ended June 30, 2025:

($ thousands except where otherwise indicated)					Consideration
Property / Location	**Date of Disposition**	**Segment**	**Ownership Interest Disposed**	**Sale Price excl. Selling Costs**	**Cash**
Investment properties					
172 Chain Lake Dr., Halifax, NS	Apr 24	Retail	100%	$ 2,850	$ 2,850
Portfolio of 9 assets in Calgary, AB	Jun 9	Industrial	100%	73,425	73,425
Total dispositions of investment properties				**76,275**	**76,275**
Assets held for sale					
6750-6800 rue Jean-Talon E, Montreal, QC	Jan 31	Retail	100%	28,585	28,585
15820-15830 Bayview Ave., Aurora, ON(i)	Jan 31	Retail	100%	7,370	7,370
Total dispositions of assets held for sale				**35,955**	**35,955**
Total dispositions				**$ 112,230**	**$ 112,230**

(i) Cash consideration included a fee paid by Wittington of $1,370.

Note 4. Investment Properties

($ thousands)	Note	Income producing properties	Properties under development	Six months ended June 30, 2025	Year ended December 31, 2024
Balance, beginning of period		**$ 15,086,000**	**$ 245,000**	**$ 15,331,000**	$ 14,923,000
Acquisitions - including transaction costs of $5,040 (2024 - $3,454)	3	**378,530**	**—**	**378,530**	238,354
Capital expenditures					
Development capital[i]		**—**	**36,491**	**36,491**	70,878
Building improvements		**1,403**	**—**	**1,403**	11,498
Capitalized interest[ii]	15	**—**	**2,155**	**2,155**	3,048
Property capital		**12,600**	**—**	**12,600**	80,205
Direct leasing costs		**3,775**	**—**	**3,775**	7,824
Tenant improvement allowances		**8,814**	**—**	**8,814**	16,797
Amortization of straight-line rent		**(937)**	**—**	**(937)**	(2,194)
Transfers to assets held for sale		**—**	**—**	**—**	(85,205)
Transfer from equity accounted joint ventures	5	**—**	**—**	**—**	21,125
Transfers from properties under development		**18,140**	**(18,140)**	**—**	—
Dispositions	3	**(76,275)**	**—**	**(76,275)**	(47,410)
Adjustment to fair value of investment properties[iii]		**125,950**	**(2,506)**	**123,444**	93,080
Balance, end of period		**$ 15,558,000**	**$ 263,000**	**$ 15,821,000**	$ 15,331,000

(i) Development capital included $3,215 of site intensification payments paid to Loblaw (December 31, 2024 - $3,872) (Note 20).
(ii) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.23% (December 31, 2024 - 4.13%).
(iii) The unrealized fair value changes to income producing properties and properties under development were a gain of $115,679 and a loss of $2,506, respectively, for properties owned as at June 30, 2025 (December 31, 2024 - unrealized fair value gain of $120,005 and loss of $22,732, respectively).

Included in certain investment properties acquired from Loblaw is excess land with development potential. Choice Properties will compensate Loblaw, over time, with intensification payments determined by a site intensification payment grid as outlined in the Strategic Alliance Agreement (Note 20) 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 2024 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 June 30, 2025		As at December 31, 2024	
Total Income Producing Properties	**Range**	**Weighted average**	Range	Weighted average
Discount rate	**5.25% - 10.50%**	**7.13%**	5.00% - 10.50%	7.14%
Terminal capitalization rate	**4.50% - 9.95%**	**6.35%**	4.50% - 9.95%	6.36%
Retail				
Discount rate	**5.25% - 10.50%**	**7.29%**	5.25% - 10.50%	7.32%
Terminal capitalization rate	**4.50% - 9.95%**	**6.53%**	4.50% - 9.95%	6.56%
Industrial				
Discount rate	**6.00% - 9.00%**	**6.75%**	6.00% - 9.00%	6.74%
Terminal capitalization rate	**5.00% - 8.50%**	**5.90%**	5.00% - 8.50%	5.89%
Mixed-Use & Residential				
Discount rate	**5.25% - 7.75%**	**6.55%**	5.00% - 7.75%	6.50%
Terminal capitalization rate	**4.50% - 7.00%**	**5.83%**	4.50% - 7.00%	5.83%

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

Independent Appraisals

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

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

	Six months ended June 30, 2025		Year ended December 31, 2024	
($ thousands except where otherwise indicated)	**Number of income producing properties**	**Fair value**	Number of income producing properties	Fair value
	41	**$ 1,417,000**	79	$ 3,686,000

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 %	$ 16,732,000	$ 1,174,000	6.38 %	$ 16,434,000	$ 876,000
(0.50)%	5.85 %	16,307,000	749,000	6.63 %	16,135,000	577,000
(0.25)%	6.10 %	15,917,000	359,000	6.88 %	15,843,000	285,000
— %	6.35 %	15,558,000	—	7.13 %	15,558,000	—
0.25 %	6.60 %	15,226,000	(332,000)	7.38 %	15,280,000	(278,000)
0.50 %	6.85 %	14,918,000	(640,000)	7.63 %	15,008,000	(550,000)
0.75 %	7.10 %	14,631,000	(927,000)	7.88 %	14,742,000	(816,000)

Note 5. Equity Accounted Joint Ventures

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

	As at June 30, 2025		As at December 31, 2024	
	Number of joint ventures	**Ownership interest**	Number of joint ventures	Ownership interest
Retail	**10**	**50% - 75%**	12	50% - 75%
Industrial	**1**	**75%**	1	75%
Mixed-Use & Residential	**5**	**50%**	4	50%
Land held for development	**1**	**85%**	1	85%
Total equity accounted joint ventures	**17**		18	
Choice Properties' investment in equity accounted joint ventures		**$ 882,895**		$ 884,431

On January 31, 2025, the Trust disposed its interest in one retail joint venture. The proceeds of the sale were distributed to the Trust in the amount of $17,565.

On February 28, 2025, the Trust disposed its interest in a land parcel held in one retail joint venture. The proceeds of sale were distributed to the Trust in the amount of $7,956.

In the fourth quarter of 2024, the Trust disposed its interest in a retail property located in Fort McMurray, Alberta, which was held in a joint venture. In the first quarter of 2025, the proceeds of the sale net of repayments to discharge to mortgage secured by the property were distributed to the Trust in the amount of $2,382.

On June 10, 2025, the Trust contributed $6,008 to a new joint venture. The funds were used to acquire a mixed-use parcel in Toronto, Ontario.

Note 6. Financial Real Estate Assets

($ thousands)	**Six Months Ended June 30, 2025**	Year ended December 31, 2024
Balance, beginning of period	**$ 199,374**	$ 195,457
Additions	**53**	711
Income from financial real estate assets due to changes in value	**1,416**	3,206
Balance, end of period	**$ 200,843**	$ 199,374

As at June 30, 2025, the weighted average discount rate and terminal capitalization rate used to determine the fair value of the Trust's financial real estate assets were 6.82% and 6.22%, respectively (December 31, 2024 - 6.82% and 6.22%, respectively).

Note 7. Mortgages, Loans and Notes Receivable

($ thousands)	Note	As at June 30, 2025	As at December 31, 2024
Mortgages receivable classified as amortized cost[i]		$ 233,434	$ 236,710
Mortgages receivable classified as fair value through profit and loss ("FVTPL")	16	48,097	162,945
Loans receivable classified as amortized cost[i]		—	20,743
Notes receivable from GWL classified as amortized cost[i]	20	151,388	299,807
Mortgages, loans and notes receivable		**$ 432,919**	$ 720,205

Classified as:		
Expected to be recovered in more than twelve months	**$ 69,084**	$ 81,590
Expected to be recovered in less than twelve months	**363,835**	638,615
	$ 432,919	$ 720,205

(i) The fair value of the mortgages, loans and notes receivable classified as amortized cost was $385,600 (December 31, 2024 - $560,200) (Note 16).

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:

	June 30, 2025		December 31, 2024	
	Weighted average term to maturity (years)	**Weighted average interest rate**	Weighted average term to maturity (years)	Weighted average interest rate
Mortgages receivable	**0.8**	**7.92%**	0.9	7.90%
Loans receivable	**—**	**— %**	0.1	7.00%
Mortgages and loans receivable	**0.8**	**7.92%**	0.9	7.86%

Notes Receivable from GWL

Non-interest bearing short-term notes totalling $151,388 were issued to GWL during the six months ended June 30, 2025. Non-interest bearing short-term notes totalling $299,807 with respect to the loans issued in the 2024 fiscal year were settled against distributions payable by the Trust to GWL in January 2025 (Note 20).

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 2025	2026	2027	2028	Total
Principal repayments					
Mortgages receivable	$ 163,241	$ 74,025	$ 18,009	$ 24,016	**$ 279,291**
Notes receivable from GWL	—	151,388	—	—	**151,388**
Total principal repayments	**163,241**	**225,413**	**18,009**	**24,016**	**430,679**
Interest accrued	2,240	—	—	—	**2,240**
Total repayments	**$ 165,481**	**$ 225,413**	**$ 18,009**	**$ 24,016**	**$ 432,919**

On January 31, 2025, the Trust advanced a $5,918 mortgage to a joint venture partner. The loan bears interest at a rate of 5.00% and is secured by the partner’s portion of an income producing retail property in Richmond Hill, Ontario.

On January 31, 2025, the loan receivable from a development partner and interest accrued thereon totalling $20,868 was settled against the contingent consideration payment owed to the development partner (Note 12).

On January 31, 2025, a mortgage receivable and interest accrued thereon totalling $114,217, issued to an entity in which the Trust has an ownership interest, was repaid.

On March 5, 2025, the Trust advanced $15,000 on an existing mezzanine loan to a joint venture partner. The loan bears interest at a rate of prime rate plus 3.55% with a floor rate of 10.00% and is secured by the partner's portion of an income producing residential property in Ottawa, Ontario.

On June 10, 2025, the Trust advanced a $4,954 on an existing mezzanine loan to a joint venture partner. The loan bears interest at a rate of 6.00% and is secured by the partner's portion of an income producing mixed-use & residential property in Toronto, Ontario.

Note 8. Accounts Receivable and Other Assets

($ thousands)	Note		**As at June 30, 2025**		As at December 31, 2024
Rent receivables[i] - net of expected credit loss of $8,689 (2024 - $8,663)		**$**	**7,791**	$	8,139
Accrued recovery income			**12,363**		19,944
Other receivables			**14,846**		17,245
Cost-to-complete receivable	20		**1,980**		1,980
Due from related parties[ii]	20		**13,919**		14,601
Restricted cash			**212**		211
Prepaid property taxes			**52,779**		7,359
Prepaid insurance			**5,263**		641
Other assets			**19,394**		21,200
Right-of-use assets - net of accumulated amortization of $3,389 (2024 - $2,876)			**490**		797
Deferred tax asset			**3,861**		3,861
Deferred acquisition costs and deposits on land			**6,602**		3,997
Designated hedging derivatives	16		**4,678**		5,619
Accounts receivable and other assets		**$**	**144,178**	$	105,594

Classified as:				
Expected to be recovered in more than twelve months	**$**	**19,485**	$	20,709
Expected to be recovered in less than twelve months		**124,693**		84,885
	$	**144,178**	$	105,594

(i) Includes net rent receivable of $434 from Loblaw and $155 from Wittington (December 31, 2024 - $31 and $132, respectively) (Note 20).
(ii) Other receivables due from related parties include $13,905 from Loblaw and $14 from GWL (December 31, 2024 - $14,517 and $84, respectively) (Note 20).

Rent receivables

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

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

Note 9. Long Term Debt

($ thousands)		As at June 30, 2025		As at December 31, 2024
Senior unsecured debentures	**$**	**5,333,094**	$	5,382,954
Mortgages payable		**1,283,020**		1,296,756
Construction loans		**5,306**		5,230
Long term debt	**$**	**6,621,420**	$	6,684,940
Classified as:				
Expected to be settled in more than twelve months	**$**	**6,215,479**	$	6,002,031
Expected to be settled in less than twelve months		**405,941**		682,909
	$	**6,621,420**	$	6,684,940

Senior Unsecured Debentures

($ thousands)

Series	Issuance / Assumption Date	Maturity Date	Interest Rate		As at June 30, 2025		As at December 31, 2024
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
L	Mar 8, 2018	Mar 8, 2028	4.18%		**750,000**		750,000
M	Jun 11, 2019	Jun 11, 2029	3.53%		**750,000**		750,000
N	Mar 3, 2020	Mar 4, 2030	2.98%		**400,000**		400,000
O	Mar 3, 2020	Mar 4, 2050	3.83%		**100,000**		100,000
P	May 22, 2020	May 21, 2027	2.85%		**500,000**		500,000
Q	Nov 30, 2021	Nov 30, 2026	2.46%		**350,000**		350,000
R	Jun 24, 2022	Jun 24, 2032	6.00%		**500,000**		500,000
S	Mar 1, 2023	Mar 1, 2033	5.40%		**550,000**		550,000
T	Aug 1, 2023	Feb 28, 2034	5.70%		**350,000**		350,000
U	May 23, 2024	Feb 28, 2031	5.03%		**500,000**		500,000
V	Jan 16, 2025	Jan 16, 2030	4.29%		**300,000**		—
Total principal outstanding					**5,350,000**		5,400,000
Debt placement costs - net of accumulated amortization of $27,052 (2024 - $25,433)					**(16,906)**		(17,046)
Senior unsecured debentures				**$**	**5,333,094**	$	5,382,954

As at June 30, 2025, the senior unsecured debentures had a weighted average interest rate of 4.25% and a weighted average term to maturity of 5.2 years (December 31, 2024 - 4.20% and 5.4 years, respectively).

On January 10, 2025, the Trust paid in full upon maturity, at par, plus accrued and unpaid interest thereon, the $350 million aggregated principal amount of the 3.55% Series J senior unsecured debentures outstanding.

On January 16, 2025, the Trust completed the issuance, on a private placement basis, of the $300 million aggregated principal amount of Series V senior unsecured debentures bearing interest at a rate of 4.29% per annum and maturing on January 16, 2030.

Mortgages Payable

($ thousands)		As at June 30, 2025		As at December 31, 2024
Mortgages principal	**$**	**1,286,043**	$	1,300,158
Net debt discounts and premiums - net of accumulated amortization of $7,036 (2024 - $6,773)		**(242)**		(505)
Debt placement costs - net of accumulated amortization of $1,171 (2024 - $1,025)		**(2,781)**		(2,897)
Mortgages payable	**$**	**1,283,020**	$	1,296,756

As at June 30, 2025, the mortgages had a weighted average interest rate of 4.12% and a weighted average term to maturity of 6.5 years (December 31, 2024 - 4.11% and 6.9 years, respectively).

Construction Loans

As at June 30, 2025, $5,306 was outstanding on the construction loans (December 31, 2024 - $5,230), with a weighted average interest rate of 4.70% and a weighted average term to maturity of 0.2 years (December 31, 2024 - 5.78% and 0.7 years, respectively). The outstanding construction loans were financed at variable rates.

For the purpose of financing the development of certain industrial and mixed-use & residential properties, various investments in equity accounted joint ventures and co-ownerships have variable rate non-revolving construction facilities, in which certain subsidiaries of the Trust guarantee its own share. As at June 30, 2025, the construction loans have a maximum capacity to be drawn at the Trust's ownership interest of $276,225, of which $270,700 relates to equity accounted joint ventures (December 31, 2024 - $276,225 and $270,700, respectively). The construction loans mature throughout 2025 and 2026.

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 2025	2026	2027	2028	2029	Thereafter	Total
Senior unsecured debentures	$ 200,000	$ 350,000	$ 500,000	$ 750,000	$ 750,000	$ 2,800,000	**$ 5,350,000**
Mortgages payable	116,899	153,945	94,399	49,095	39,466	832,239	**1,286,043**
Construction loans	5,306	—	—	—	—	—	**5,306**
Total	**$ 322,205**	**$ 503,945**	**$ 594,399**	**$ 799,095**	**$ 789,466**	**$ 3,632,239**	**$ 6,641,349**

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

				June 30, 2025	December 31, 2024
($ thousands)	Senior unsecured debentures	Mortgages payable	Construction loans	Long term debt	Long term debt
Balance, beginning of period	$ 5,382,954	$ 1,296,756	$ 5,230	**$ 6,684,940**	$ 6,695,923
Issuances and advances	300,000	—	76	**300,076**	805,628
Repayments	(350,000)	(14,115)	—	**(364,115)**	(878,741)
Debt placement costs	(1,479)	(30)	—	**(1,509)**	(4,171)
Total cash flow activities	(51,479)	(14,145)	76	**(65,548)**	(77,284)
Assumed by purchaser	—	—	—	**—**	(7,586)
Assumed from seller	—	—	—	**—**	31,127
Transfer from equity accounted joint ventures	—	—	—	**—**	38,240
Amortization of debt discounts and premiums	—	263	—	**263**	665
Amortization of debt placement costs	1,619	146	—	**1,765**	3,855
Total non-cash activities	1,619	409	—	**2,028**	66,301
Balance, end of period	**$ 5,333,094**	**$ 1,283,020**	**$ 5,306**	**$ 6,621,420**	$ 6,684,940

Note 10. Credit Facility

($ thousands)		As at June 30, 2025		As at December 31, 2024
Credit facility				
$1,500,000 syndicated	**$**	**200,000**	$	—
Debt placement costs - net of accumulated amortization of $12,565 (2024 - $12,157)(i)		**(2,367)**		—
Translation of US dollar denominated borrowings		**(1,180)**		
Credit facility	**$**	**196,453**	$	—
Classified as:				
Expected to be settled in more than twelve months	**$**	**196,453**	$	—
Expected to be settled in less than twelve months		**—**		—
	$	**196,453**	$	—

(i) Unamortized debt placement costs for the credit facility of $2,213 were included in other assets as at December 31, 2024.

Choice Properties has a $1,500,000 senior unsecured committed revolving credit facility provided by a syndicate of lenders. During the second quarter of 2025, the Trust extended the maturity date for the credit facility from June 13, 2029 to May 21, 2030.

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

As at June 30, 2025, the Trust had U.S. dollar-denominated borrowings totaling $145,529, equivalent to $200,000 Canadian dollars (December 31, 2024 - $nil) and $nil (December 31, 2024 - $nil) in Canadian dollar-denominated borrowings. Concurrent with the draws, the full amount of U.S. dollar-denominated borrowings was exchanged into Canadian dollars. As at June 30, 2025, the credit facility balance was revalued at $198,820 Canadian dollars.

The credit facility contains certain financial covenants. As at June 30, 2025, the Trust was in compliance with all its financial covenants for the credit facility. The credit facility is subject to an annual commitment fee of 0.24% of the undrawn balance.

Schedule of Cash Flow Activities

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

($ thousands)		June 30, 2025		December 31, 2024
Balance, beginning of period	**$**	**—**	$	—
Net advances (repayments) of $1,500,000 syndicated credit facility		**200,000**		—
Extension fee and related costs included in debt placement costs		**(562)**		(703)
Total cash flow activities		**199,438**		(703)
Translation of US dollar denominated borrowings		**(1,180)**		—
Amortization of debt placement costs		**408**		722
Reclassified from other assets		**(2,213)**		(19)
Total non-cash activities		**(2,985)**		703
Balance, end of period	**$**	**196,453**	$	—

Note 11. 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 June 30, 2025**		As at December 31, 2024	
($ thousands except where otherwise indicated)		**Units**	**Amount**	Units	Amount
Units, beginning of period		**327,923,972**	**$ 3,659,456**	327,859,972	$ 3,660,985
Units issued under unit-based compensation arrangements		**373,556**	**1,320**	368,610	951
Reclassification of vested Unit-Settled Restricted Units liability to equity		**—**	**1,743**	—	1,534
Units repurchased for unit-based compensation arrangements		**(273,256)**	**(3,731)**	(304,610)	(4,014)
Units, end of period		**328,024,272**	**$ 3,658,788**	327,923,972	$ 3,659,456
Exchangeable Units, beginning of period		**395,786,525**	**$ 5,283,750**	395,786,525	$ 5,521,222
Adjustment to fair value of Exchangeable Units		**—**	**601,596**	—	(237,472)
Exchangeable Units, end of period		**395,786,525**	**$ 5,885,346**	395,786,525	$ 5,283,750
Total Units and Exchangeable Units, end of period		**723,810,797**		723,710,497	

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 19, 2024, Choice Properties received approval from the TSX to purchase up to 27,566,130 Units during the twelve-month period from November 21, 2024 to November 20, 2025, 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 six months ended June 30, 2025 and the year ended December 31, 2024, 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 six months ended June 30, 2025, Choice Properties declared cash distributions of $0.384 per unit or $277,455 in aggregate (June 30, 2024 - $0.378 per unit or $273,779, 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 12, 2025, the Board reviewed and approved an increase of distributions to $0.77 per unit per annum from the previous rate of $0.76 per unit per annum (an increase of 1.3%). The increase was effective for Unitholders of record on March 31, 2025.

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

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

Base Shelf Prospectus

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

Note 12. Trade Payables and Other Liabilities

($ thousands)	Note	As at June 30, 2025	As at December 31, 2024
Trade accounts payable		$ 10,173	$ 18,110
Accrued liabilities and provisions(i)		99,625	90,899
Accrued acquisition transaction costs and other related expenses		181	122
Accrued capital expenditures(ii)		64,608	77,313
Accrued interest expense		62,582	61,536
Due to related party(iii)	20	178,217	326,501
Contingent consideration		—	20,623
Unit-based compensation		16,612	16,346
Distributions payable(iv)		21,316	20,942
Lease liabilities		1,071	1,149
Tenant deposits		19,629	19,629
Deferred revenue		21,964	33,824
Designated hedging derivatives	16	3,482	2,048
Trade payables and other liabilities		$ 499,460	$ 689,042
Classified as:			
Expected to be settled in more than twelve months		$ 6,584	$ 26,605
Expected to be settled in less than twelve months		492,876	662,437
		$ 499,460	$ 689,042

(i) Includes amounts payable to Loblaw of $19,327 (December 31, 2024 - $8,304) (Note 20).
(ii) Includes construction allowances payable to Loblaw of $31,915 (December 31, 2024 - $27,927) (Note 20).
(iii) Includes distributions accrued on Exchangeable Units of $176,785 payable to GWL (December 31, 2024 - $324,873); $1,391 payable to GWL for shared costs incurred by GWL, the Services Agreement expense and other related party charges (December 31, 2024 - $1,030); and $41 payable to Loblaw for reimbursed contract revenue and other related party charges (December 31, 2024 - $598) (Note 20).
(iv) Includes distributions payable to GWL of $3,251 (December 31, 2024 - $3,209) (Note 20).

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 in the second quarter of 2022. On January 31, 2025, the outstanding amount was settled against a loan receivable owed by the development partner (Note 7).

Note 13. Rental Revenue

Rental revenue is comprised of the following:

	Three Months			Six Months		
($ thousands)	Related Parties(i)	Third Parties	June 30, 2025	Related Parties(i)	Third Parties	June 30, 2025
Base rent	$ 138,772	$ 98,149	$ 236,921	$ 273,671	$ 196,168	$ 469,839
Property tax and insurance recoveries	41,116	28,929	70,045	80,772	54,895	135,667
Operating cost recoveries	22,728	19,821	42,549	48,560	41,200	89,760
Lease surrender and other revenue	—	1,264	1,264	—	2,425	2,425
Rental revenue	$ 202,616	$ 148,163	$ 350,779	$ 403,003	$ 294,688	$ 697,691

(i) Refer to Note 20, Related Party Transactions.

	Three Months			Six Months		
($ thousands)	Related Parties(i)	Third Parties	June 30, 2024	Related Parties(i)	Third Parties	June 30, 2024
Base rent	$ 132,430	$ 92,744	$ 225,174	$ 264,789	$ 184,292	$ 449,081
Property tax and insurance recoveries	38,307	26,544	64,851	76,783	52,828	129,611
Operating cost recoveries	23,263	18,998	42,261	48,066	39,635	87,701
Lease surrender and other revenue	401	2,701	3,102	2,912	4,041	6,953
Rental revenue	$ 194,401	$ 140,987	$ 335,388	$ 392,550	$ 280,796	$ 673,346

(i) Refer to Note 20, 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 14. Property Operating Costs

	Three Months		Six Months	
($ thousands)	**June 30, 2025**	June 30, 2024	**June 30, 2025**	June 30, 2024
Property taxes and insurance	**$ 71,364**	$ 68,478	**$ 140,138**	$ 136,318
Recoverable operating costs	**26,500**	25,631	**57,335**	54,829
Non-recoverable operating costs	**1,359**	(914)	**2,813**	153
Property operating costs	**$ 99,223**	$ 93,195	**$ 200,286**	$ 191,300

Included in non-recoverable operating expenses are net expected credit losses of $102 for the six months ended June 30, 2025 (June 30, 2024 - reversals of net expected credit losses of $1,818). Refer to Note 8 for discussion on rents receivable and the related expected credit losses.

Note 15. Net Interest Expense and Other Financing Charges

		Three Months		Six Months	
($ thousands)	Note	**June 30, 2025**	June 30, 2024	**June 30, 2025**	June 30, 2024
Interest on senior unsecured debentures		**$ 56,714**	$ 57,732	**$ 112,616**	$ 113,700
Interest on mortgages and construction loans		**13,202**	11,528	**26,688**	21,488
Interest on credit facility		**2,649**	1,160	**3,823**	2,209
Interest on right-of-use lease liabilities		**10**	12	**20**	24
Amortization of debt discounts and premiums	9	**128**	227	**263**	388
Amortization of debt placement costs	9,10	**1,111**	1,119	**2,173**	2,257
Distributions on Exchangeable Units(i)	20	**76,189**	75,199	**151,718**	149,739
		150,003	146,977	**297,301**	289,805
Less: Capitalized interest(ii)	4	**(1,046)**	(773)	**(2,155)**	(1,317)
Net interest expense and other financing charges		**$ 148,957**	$ 146,204	**$ 295,146**	$ 288,488

(i) Represents interest on indebtedness due to GWL.

(ii) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.23% and 4.23% for the three and six months ended June 30, 2025, respectively (June 30, 2024 - 4.14% and 4.11%, respectively).

Note 16. 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 June 30, 2025				As at December 31, 2024			
($ 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	7	**$ —**	**$ —**	**$ 48,097**	**$ 48,097**	$ —	$ —	$ 162,945	$ 162,945
Financial real estate assets		**—**	**—**	**200,843**	**200,843**	—	—	199,374	199,374
Investment in real estate securities		**—**	**202,645**	**—**	**202,645**	—	202,526	—	202,526
Designated hedging derivatives	8	**—**	**4,678**	**—**	**4,678**	—	5,619	—	5,619
Amortized cost:									
Mortgages, loans and notes receivable	7	**—**	**—**	**385,600**	**385,600**	—	—	560,200	560,200
Cash and cash equivalents	17(c)	**—**	**25,360**	**—**	**25,360**	—	63,388	—	63,388
Liabilities									
Fair value through profit and loss:									
Exchangeable Units	11	**—**	**5,885,346**	**—**	**5,885,346**	—	5,283,750	—	5,283,750
Unit-based compensation	12	**—**	**16,612**	**—**	**16,612**	—	16,346	—	16,346
Designated hedging derivatives	12	**—**	**3,482**	**—**	**3,482**	—	2,048	—	2,048
Amortized cost:									
Long term debt	9	**—**	**—**	**6,746,015**	**6,746,015**	—	—	6,811,253	6,811,253
Credit facility	10	**—**	**196,453**	**—**	**196,453**	—	—	—	—

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

Designated Hedging Derivatives

Designated hedging derivatives consist of interest rate swaps to hedge the interest rate associated with an equivalent amount of variable rate mortgages, and cross currency swaps to hedge foreign exchange associated with the equivalent amount borrowed in USD on the Trust's credit facility (Note 10). As at June 30, 2025, the interest rates associated with the interest rate swaps ranged from 2.8% to 5.0% (December 31, 2024 - 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 June 30, 2025**	As at December 31, 2024
Derivative assets					
Interest rate swaps	8	**Nov 2025 - Jun 2030**	**$ 75,260**	**$ 4,678**	$ 5,619
Total derivative assets			**$ 75,260**	**$ 4,678**	$ 5,619
Derivative liabilities					
Interest rate swaps	12	**March 1, 2030**	**$ 74,381**	**$ 2,302**	$ 2,048
Cross currency swaps	12	**July 2, 2025**	**200,000**	**1,180**	—
Total derivative liabilities			**$ 274,381**	**$ 3,482**	$ 2,048

During the six months ended June 30, 2025, the Trust recorded an unrealized fair value loss in other comprehensive (loss) income of $1,195 (June 30, 2024 - unrealized fair value gain of $1,385).

Note 17. Supplemental Cash Flow Information

(a) Items not affecting cash and other items

		Three Months		Six Months	
($ thousands)	Note	**June 30, 2025**	June 30, 2024	**June 30, 2025**	June 30, 2024
Straight-line rental revenue	4	**$ 570**	$ 1,434	**$ 937**	$ 1,173
Unit-based compensation expense included in general and administrative expenses		**1,621**	1,677	**3,422**	3,177
Amortization of intangible assets		**250**	250	**500**	500
Adjustment to fair value of unit-based compensation		**875**	(1,288)	**893**	(2,069)
Adjustment to fair value of Exchangeable Units	11	**364,124**	(372,039)	**601,596**	(439,323)
Adjustment to fair value of investment properties	4	**(93,486)**	(28,035)	**(123,444)**	(26,670)
Adjustment to fair value of investment in real estate securities		**(9,093)**	27,870	**(119)**	57,511
Items not affecting cash and other items		**$ 264,861**	$ (370,131)	**$ 483,785**	$ (405,701)

(b) Net change in non-cash working capital

		Three Months		Six Months	
($ thousands)	Note	**June 30, 2025**	June 30, 2024	**June 30, 2025**	June 30, 2024
Net change in accounts receivable and other assets	8	**$ (11,841)**	$ (45,002)	**$ (41,738)**	$ (82,297)
Cost of sales recognized - residential development inventory		**—**	—	**—**	9,234
Net change in trade payables and other liabilities	12	**(16,738)**	(52,937)	**(34,453)**	(41,656)
Net change in non-cash working capital		**$ (28,579)**	$ (97,939)	**$ (76,191)**	$ (114,719)

(c) Cash and cash equivalents

($ thousands)	**As at June 30, 2025**	As at December 31, 2024
Cash	**$ 25,360**	$ 47,286
Short-term investments	**—**	16,102
Cash and cash equivalents	**$ 25,360**	$ 63,388

Note 18. 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 marker ("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 six months ended June 30, 2025 and June 30, 2024 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)]	Six months ended June 30, 2025
Base rent	**$ 372,276**	**$ 110,236**	**$ 26,135**	**$ (38,808)**	**$ 469,839**
Property tax and insurance recoveries	**109,176**	**29,439**	**4,505**	**(7,453)**	**135,667**
Operating cost recoveries	**72,452**	**13,887**	**6,711**	**(3,290)**	**89,760**
Lease surrender and other revenue	**1,923**	**304**	**1,277**	**(1,079)**	**2,425**
Rental Revenue	**555,827**	**153,866**	**38,628**	**(50,630)**	**697,691**
Property taxes and insurance	**(114,239)**	**(30,010)**	**(4,862)**	**8,973**	**(140,138)**
Recoverable operating costs	**(48,353)**	**(6,374)**	**(7,987)**	**5,379**	**(57,335)**
Non-recoverable operating costs	**(1,744)**	**(915)**	**(1,246)**	**1,092**	**(2,813)**
Property Operating Costs	**(164,336)**	**(37,299)**	**(14,095)**	**15,444**	**(200,286)**
Net Rental Income	**$ 391,491**	**$ 116,567**	**$ 24,533**	**$ (35,186)**	**$ 497,405**

(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)]	Six months ended June 30, 2024
Base rent	$ 366,412	$ 91,743	$ 24,759	$ (33,833)	$ 449,081
Property tax and insurance recoveries	106,689	26,198	4,328	(7,604)	129,611
Operating cost recoveries	71,988	13,859	5,590	(3,736)	87,701
Lease surrender and other revenue	6,680	203	1,211	(1,141)	6,953
Rental Revenue	551,769	132,003	35,888	(46,314)	673,346
Property taxes and insurance	(112,850)	(26,618)	(6,087)	9,237	(136,318)
Recoverable operating costs	(46,917)	(6,644)	(6,978)	5,710	(54,829)
Non-recoverable operating costs	(1,621)	1,180	(1,052)	1,340	(153)
Property Operating Costs	(161,388)	(32,082)	(14,117)	16,287	(191,300)
Net Rental Income	$ 390,381	$ 99,921	$ 21,771	$ (30,027)	$ 482,046

(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 as at June 30, 2025 and December 31, 2024 in a manner consistent with internal reporting. The accounting policies of the segments presented here are the same as those described in Note 2 of the audited annual consolidated financial statements, except that segment income producing properties and segment properties under development include the proportionate share of joint ventures and financial real estate assets.

($ thousands)	**Retail**	**Industrial**	**Mixed-Use & Residential**	**Consolidation and eliminations(i)**	**As at June 30, 2025**
Income producing properties	**$11,453,130**	**$ 4,441,279**	**$ 935,591**	**(1,272,000)**	**$ 15,558,000**
Properties under development	**212,229**	**542,512**	**63,259**	**(555,000)**	**263,000**
Investment Properties	**$11,665,359**	**$ 4,983,791**	**$ 998,850**	**$ (1,827,000)**	**$ 15,821,000**

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

($ thousands)	Retail	Industrial	Mixed-Use & Residential	Consolidation and eliminations(i)	As at December 31, 2024
Income producing properties	$11,272,834	$ 4,148,360	$ 929,806	(1,265,000)	$ 15,086,000
Properties under development	201,958	506,500	61,542	(525,000)	245,000
Investment Properties	$11,474,792	$ 4,654,860	$ 991,348	$ (1,790,000)	$ 15,331,000

(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 19. 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. The Trust has aggregate letters of credit with a maximum capacity of $82,385 at the Trust's ownership interest. As at June 30, 2025, the aggregate gross potential liability related to these letters of credit totalled $35,604 (December 31, 2024 - $37,479).

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 $491,000, of which $327,000 relates to equity accounted joint ventures, as at June 30, 2025 (December 31, 2024 - $525,000 and $366,000, 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 $428,325 as at June 30, 2025 (December 31, 2024 - $422,876). 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 20. Related Party Transactions

Choice Properties' controlling unitholder is GWL, which, as at June 30, 2025, held either directly or indirectly, a 61.7% effective interest in the Trust through ownership of 50,661,415 Units and all the Exchangeable Units, which are economically equivalent to and exchangeable to Units. Galen G. Weston beneficially owns or controls, directly and indirectly, including through Wittington, approximately 59.0% of GWL's outstanding common shares. Galen G. Weston also beneficially owns 1,518,850 of the Trust's Units.

GWL is also the controlling shareholder of Loblaw, with ownership of 52.6% of outstanding common shares as at June 30, 2025 (December 31, 2024 - 52.6%). Therefore, Choice Properties is a related party of Loblaw by virtue of common control.

Transactions and Agreements with GWL

Services Agreement
During the six months ended June 30, 2025, GWL provided Choice Properties with corporate, administrative and other support services for an annualized cost of $4,988 (December 31, 2024 - $4,988).

Distributions on Exchangeable Units
GWL, directly or indirectly, holds all of the Exchangeable Units issued by Choice Properties Limited Partnership, a subsidiary of Choice Properties. During the three and six months ended June 30, 2025, distributions declared on the Exchangeable Units totalled $76,189 and $151,718, respectively (June 30, 2024 - $75,199 and $149,739, respectively).

As at June 30, 2025, Choice Properties had distributions on Exchangeable Units payable to GWL of $176,785 (December 31, 2024 - $324,873). The payable to GWL includes deferred distributions of $151,388 to be paid on the first business day of the 2026 fiscal year (December 31, 2024 - $299,807).

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 six months ended June 30, 2025, GWL elected to receive distributions from Choice Properties Limited Partnership in the form of loans. As such, non-interest bearing short-term notes totalling $151,388 were issued to GWL. Non-interest bearing short-term notes totalling $299,807 with respect to the loans received in the 2024 fiscal year were settled against distributions payable by the Trust to GWL in January 2025.

Trust Unit Distributions
During the three and six months ended June 30, 2025, Choice Properties declared cash distributions of $9,752 and $19,420, respectively, on the Units held by GWL (June 30, 2024 - $9,626 and $19,167, respectively). As at June 30, 2025, $3,251 of Trust Unit distributions declared were payable to GWL (December 31, 2024 - $3,209).

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

		Three Months		Six Months	
($ thousands)	Note	**June 30, 2025**	June 30, 2024	**June 30, 2025**	June 30, 2024
Rental revenue	13	**$ 801**	$ 801	**$ 1,601**	$ 1,602
Services Agreement expense		**(1,247)**	(1,247)	**(2,494)**	(2,494)
Distributions on Exchangeable Units	15	**(76,189)**	(75,199)	**(151,718)**	(149,739)

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

($ thousands)	Note		As at June 30, 2025		As at December 31, 2024
Notes receivable	7	**$**	**151,388**	$	299,807
Other receivables	8		**14**		84
Exchangeable Units	11		**(5,885,346)**		(5,283,750)
Accrued liabilities	12		**(1,391)**		(1,030)
Distributions payable on Exchangeable Units	12		**(176,785)**		(324,873)
Distributions payable on Trust Units	12		**(3,251)**		(3,209)
Due to GWL and subsidiaries		**$**	**(5,915,371)**	$	(5,312,971)

Transactions and Agreements with Loblaw

Acquisitions

During the six months ended June 30, 2025, Choice Properties acquired from Loblaw a retail property in Brampton, Ontario for a purchase price of $33,200 and an industrial distribution centre in Ajax, Ontario for a purchase price of $182,290.

In each case the purchase price excludes transaction costs. Concurrent with the transactions, the properties were leased back to Loblaw.

Strategic Alliance Agreement

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

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

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

Leases

Subsequent to the quarter end, Choice and Loblaw renewed 39 of a tranche of 41 leases expiring in 2026.

Lease Surrender Revenue

During the six months ended June 30, 2025, Choice Properties recognized $nil of lease surrender revenue from Loblaw (June 30, 2024 - $2,912).

Site Intensification Payments

Choice Properties compensated Loblaw with intensification payments of $3,215 in connection with completed gross leasable area for which tenants took possession during the six months ended June 30, 2025 (June 30, 2024 - $1,242).

Transaction Summary as Reflected in the Consolidated Financial Statements

Loblaw is the largest tenant for Choice Properties, representing approximately 57.4% of Choice Properties' rental revenue for the six months ended June 30, 2025 (June 30, 2024 - 57.9%). Transactions with Loblaw recorded in the consolidated statements of operations and comprehensive (loss) income were comprised as follows:

		Three Months				Six Months			
($ thousands)	Note		**June 30, 2025**		June 30, 2024		**June 30, 2025**		June 30, 2024
Rental revenue	13	**$**	**201,434**	$	193,203	**$**	**400,487**	$	390,152

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

($ thousands)	Note	As at June 30, 2025	As at December 31, 2024
Rent receivable	8	**$ 434**	$ 31
Other receivables	8	**13,905**	14,517
Accrued liabilities	12	**(19,327)**	(8,304)
Construction allowances payable	12	**(31,915)**	(27,927)
Reimbursed contract payable	12	**(41)**	(598)
Due to Loblaw		**$ (36,944)**	$ (22,281)

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.

Other Transactions

Cash consideration for the disposition a retail property (Note 3), as well as the disposition of a retail property held within an equity accounted joint venture (Note 5), both located in Aurora, Ontario, included fees paid by Wittington of $1,370 and $1,315, respectively.

Transaction Summary as Reflected in the Consolidated Financial Statements

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

		Three Months		Six Months	
($ thousands)	Note	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Rental revenue	13	**$ 381**	$ 397	**$ 915**	$ 796
Fee income		**134**	132	**245**	195

The balances due from Wittington and subsidiaries were as follows:

($ thousands)	Note	As at June 30, 2025	As at December 31, 2024
Rent receivable	8	**$ 155**	$ 132
Cost-to-complete receivable	8	**1,980**	1,980
Due from Wittington and subsidiaries		**$ 2,135**	$ 2,112

Transactions and Agreements With Other Related Parties

Mortgages Receivable

On January 31, 2025, a mortgage receivable and interest accrued thereon totalling $114,217, issued to an entity in which the Trust has an ownership interest, was repaid.

Shareholder Information and How to Contact Us

Choice Properties is a leading Real Estate Investment Trust that creates enduring value through places where people thrive.

We are more than a national owner, operator and developer of high-quality commercial and residential real estate. We believe in creating spaces that enhance how our tenants and communities come together to live, work, and connect. As Canada's largest REIT, we have a responsibility to understand deeply our stakeholders' needs and to manage our properties to be best in class. This includes our industry leadership in integrating environmental, social and economic sustainability practices into all aspects of our business. In everything we do, we 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 Friday, July 18, 2025 at 10:00 AM (EDT) with a simultaneous audio webcast. To access via teleconference, please dial 1-888-330-2454 or 1-240-789-2714 and enter the event passcode: 4788974. The link to the audio webcast will be available on www.choicereit.ca/events-webcasts.

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Stock Exchange Listing and Symbol

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

Distribution Policy

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

Registrar and Transfer Agent

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Investor Relations

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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.

To learn about the many other ways we are bringing our Purpose to life for tenants, colleagues, 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

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