2024 Second Quarter Report

ChoiceProperties

Places People Thrive™

Purpose-Driven Strategy

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

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

Our latest Sustainability Report
choicereit.ca/sustainability

Our Leading Portfolio
choicereit.ca/portfolio

Our most recent Investor Presentation
choicereit.ca/presentations

Our Career website
choicereit.ca/careers

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

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

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

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

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

Canada's Premier REIT
Leading where it matters most

Largest in Canada[i]

700+ High-quality properties

3 Strategic asset classes

Unmatched Necessity-Based Portfolio

82% Necessity-based retail portfolio[ii]

38M sq. ft. Grocery-anchored retail portfolio

Strategic Relationship with Canada's Largest Retailer

57% Loblaw tenancy[iii]

Relationship with Loblaw provides a unique competitive advantage

One of Canada's Largest Urban Landowners

17M+ sq. ft. Development pipeline

70+ Sites with future development potential

Industry Leading Balance Sheet

BBB (High) DBRS Rating

BBB+ S&P Rating

6.9x Adjusted Debt to EBITDAFV[(1)], net of cash[iv]

ESG Leadership

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

50%+ Women Executives (VP+)

[i] Based on total portfolio GLA, number of properties and market capitalization
[ii] Calculated as a % of the retail segment's annualized gross rental revenue on a proportionate share basis[(1)] as at June 30, 2024 (Section 6)
[iii] Calculated as a % of total annualized gross rental revenue on a proportionate share basis[(1)] as at June 30, 2024
[iv] Adjusted Debt to EBITDAFV[(1)] was 7.6x as at June 30, 2024

West Block

500 Lake Shore Blvd. W.
Toronto, Ontario

Asset class type: Mixed-Use
Property GLA: 258,920 sq. ft.

Choice's developments incorporate passive design elements that reduce environmental impact and building energy use. These include green roofs like the one at our 500 Lake Shore Blvd. W. property in Toronto, ON. Green roofs reduce the cooling load of the building, while also benefiting the local wildlife that shares our urban ecosystem.

To learn more visit choicereit.ca/Choice_Pathway_to_Net_Zero

Key Performance Indicators
Financial and Operating Performance

Financial Performance

	Q2 2024	Q2 2023	Change
FFO [1]	$0.255 /unit	$0.254 /unit	+0.4%
AFFO [1]	$0.244 /unit	$0.235 /unit	+3.8%
Occupancy	98.0%	97.4%	+0.6%
Same-Asset NOI, Cash Basis	$241.7M	$231.5M	+4.4%

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

Debt Metrics Q2 2024

Adjusted Debt [1]	$7.7B
Adjusted Debt to EBITDAFV [1], net of cash [i]	6.9x
Weighted Avg. Term to Maturity [ii]	6.0 years
Weighted Avg. Interest Rate [ii]	4.12%
Unencumbered Assets	$12.8B
Adjusted Debt to Total Assets [1], normalized [iii]	40.5%

[i] Adjusted Debt to EBITDAFV [1] was 7.6x as at June 30, 2024
[ii] Weighted average reflects senior unsecured debentures and fixed-rate secured debt
[iii] Normalized for $500 million excess cash from the issuance of Series U debentures held to repay a portion of $550 million Series K debentures upon maturity in Q3 2024 [2]. Adjusted Debt to Total Assets [1] was 42.2% as at June 30, 2024

"This was another solid quarter operationally, as we continued to operate at a high level of occupancy and delivered strong leasing and same asset NOI growth. We further strengthened our balance sheet, completing $788 million in financings with an average term of 9.6 years and an average interest rate of approximately 5.0%. We also received a credit rating upgrade, citing the strength of our grocery anchored retail properties and our strategic relationship with Loblaw."

Rael Diamond, CEO, Choice Properties

Second Quarter Financial Highlights[i]

During the three months ended June 30, 2024

Operating

- **Reported net income for the quarter of $513.2 million,** compared to net income of $535.7 million in the same prior year period.
- **Reported FFO per unit diluted[(1)] for the quarter of $0.255,** compared to $0.254 in the same prior year period. FFO[(1)] was relatively flat, primarily as a result of certain non-recurring items and timing differences, including lower lease surrender revenue of $7.2 million, restructuring costs of $3.3 million, and a provision reversal of $1.7 million in the industrial portfolio following the resolution of a tenant dispute. Normalized for these items, FFO per unit diluted[(1)] increased by $0.014 or 5.7% over the same prior year period.
- **AFFO per unit diluted[(1)] for the quarter was $0.244,** compared to $0.235 in the same prior year period.
- **Same-Asset NOI on a cash basis[(1)] increased by 4.4%** over the same prior year period.
- **Retail, Industrial, and Mixed-Use & Residential Same-Asset NOI on a cash basis[(1)] increased by 3.0%, 11.8%, and 0.8%, respectively.** Excluding bad debt expense, Industrial Same-Asset NOI on a cash basis[(1)] increased by 7.4%.
- **Period end occupancy remained strong at 98.0%,** with Retail at 97.7%, Industrial at 98.8% and Mixed-Use & Residential at 94.7%[ii].
- **Net fair value gain on investment properties in the quarter was $25.5 million** on a proportionate share basis[(1)], reflecting property-specific updates to market leasing assumptions and changes in contractual rents in the retail and industrial portfolios, as well as adjustments to capitalization rates primarily in the industrial portfolio.
- **Subsequent to the quarter end, Choice and Loblaw renewed 46 of a tranche of 48 leases expiring in 2025,** comprising 3.08 million of 3.20 million square feet, at a weighted average spread of 8.4% and a weighted average extension term of 5.0 years. The 46 renewals included one industrial lease.

Financing

- **Issued $500.0 million Series U senior unsecured debentures,** bearing interest at 5.03% with a 6.8-year term. Proceeds were invested in a GIC earning 5.50% interest.
- **Completed $243.0 million of mortgage financings at share secured by three industrial properties,** with an average rate of 5.309% and an average term of 16.9 years. Proceeds were partially used to repay $71.7 million of construction loans secured by two of the properties.
- **Assumed $45.2 million of mortgages from our partner at an average rate of 3.407%,** with an average remaining term of 2.7 years in connection with acquisition and disposition transactions during the quarter.
- **Extended the maturity date for the credit facility from September 1, 2028 to June 13, 2029.**
- **Ended the quarter with Adjusted Debt to EBITDAFV[(1)] of 7.6x (net of cash 6.9x),** Adjusted Debt to Total Assets[(1)] at 42.2% (normalized 40.5%[iii]), and Interest Coverage ratio[(1)] of 3.4x.
- **Strong liquidity position with $1.5 billion** of available credit and a $12.8 billion pool of unencumbered properties.

Investing

- **Choice completed $113.5 million of transactions in the quarter:**
  - Acquired our partner's interest in a retail property in Fort Saskatchewan, Alberta for $21.1 million, following which the Trust owns 100% of the property;
  - Acquired a standalone retail property in midtown Toronto, Ontario for $12.0 million. Concurrent with the transaction, Choice entered into a lease with Loblaw for this property; and
  - Disposed of our interest in four retail properties in Alberta and Saskatchewan for proceeds of $80.4 million on a proportionate share basis[(1)]. Consideration included three vendor take-back mortgages totalling $11.1 million, bearing interest at an average rate of 6.81%.
- **The Trust invested $31.7 million in its development program** during the quarter on a proportionate share basis[(1)].
- **The Trust transferred $8.3 million of properties under development to income producing status,** delivering approximately 44,000 square feet of new commercial GLA on a proportionate share basis[(1)] through retail intensifications.

i Refer to the Notes for Readers located on page 9 of this MD&A for definitions of capitalized terms
ii Occupancy represents retail and office portion of mixed-use properties; residential units are excluded
iii Normalized for $500 million excess cash from the issuance of Series U debentures held to repay a portion of the $550 million Series K debentures upon maturity in Q3 2024[(2)]

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

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

702 Income Producing Properties | **65.9M** Square Feet | **$16.7B** Fair Value[i]

Retail

Predominately necessity-based grocery anchored retail portfolio

570
Properties

44.6M
Square Feet

$11.1B
Fair Value[i]

Industrial

Flexible well-located industrial portfolio

121
Properties

19.5M
Square Feet

$3.8B
Fair Value[i]

Mixed-Use & Residential

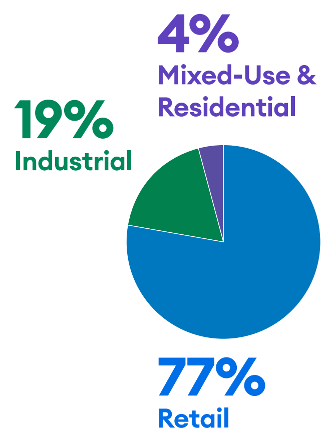
Transit oriented mixed-use and residential portfolio

11
Properties

1.8M
Square Feet[iii]

$0.9B
Fair Value[i]

Portfolio Mix by Asset Class[ii]



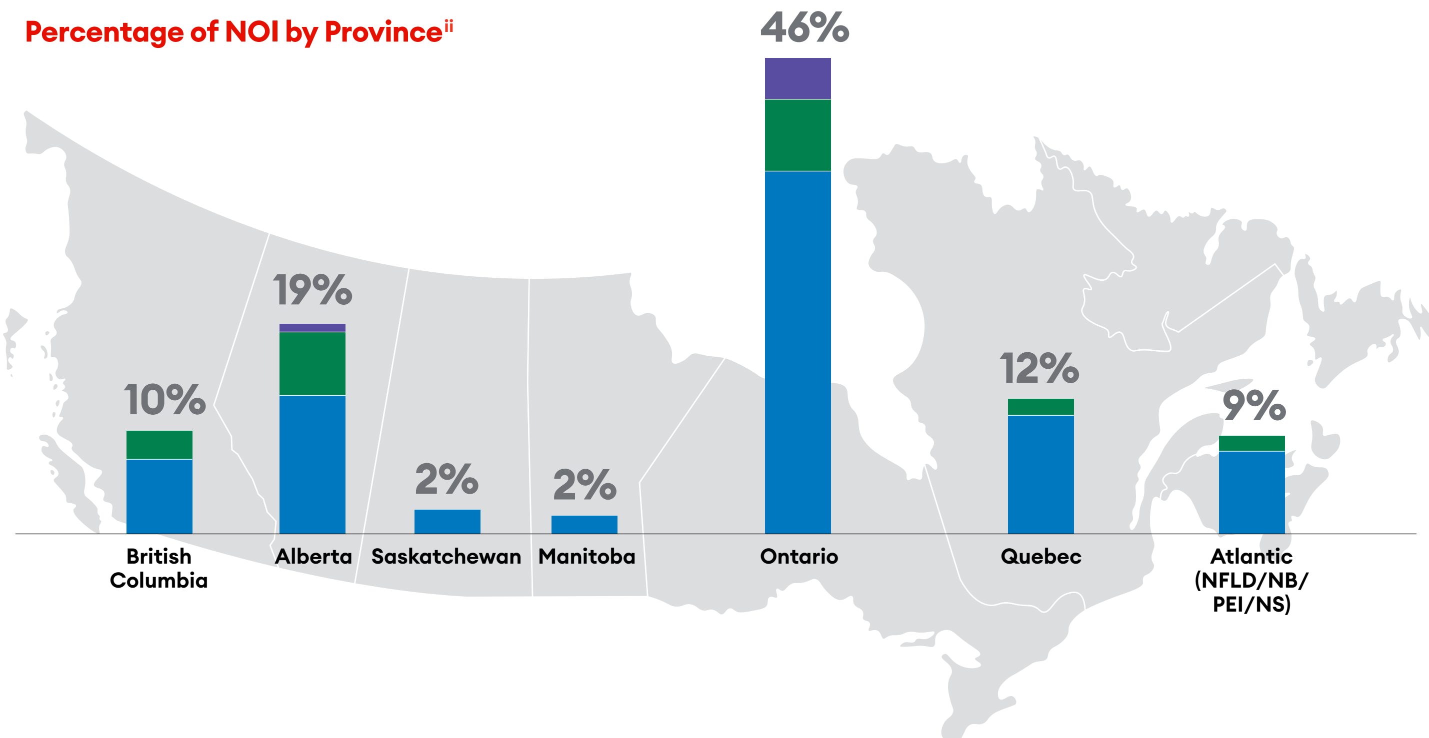
Properties Under Development

46
Projects

17.2M
Square Feet

$0.9B
Fair Value[i]

Percentage of NOI by Province[ii]



[i] Fair value of investment properties is shown on a proportionate share basis[(1)]
[ii] Calculated as a % of total NOI on a proportionate share[(1)] cash basis for the three months ended June 30, 2024
[iii] 1.8 million sq. ft. of GLA includes 0.7 million sq. ft. associated with Choice Properties' 923 residential units

Our Tenants
High quality tenants provide cash flow stability

Long-Term Leases

Weighted Average Lease Term

Loblaw	Ancillary	Total
6.0 years	5.4 years	5.8 years

Choice's Top 5 Tenants
% Revenue[i]

1	Loblaw	56.5%
2	Canadian Tire	1.8%
3	TJX Companies	1.2%
4	Dollarama Inc.	1.1%
5	Pet Valu	1.0%

Strong Necessity-Based Retail Anchor Tenants

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

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

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

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

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

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

Resilient Industrial Tenant Base

Top 10 Industrial Tenants[ii]

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

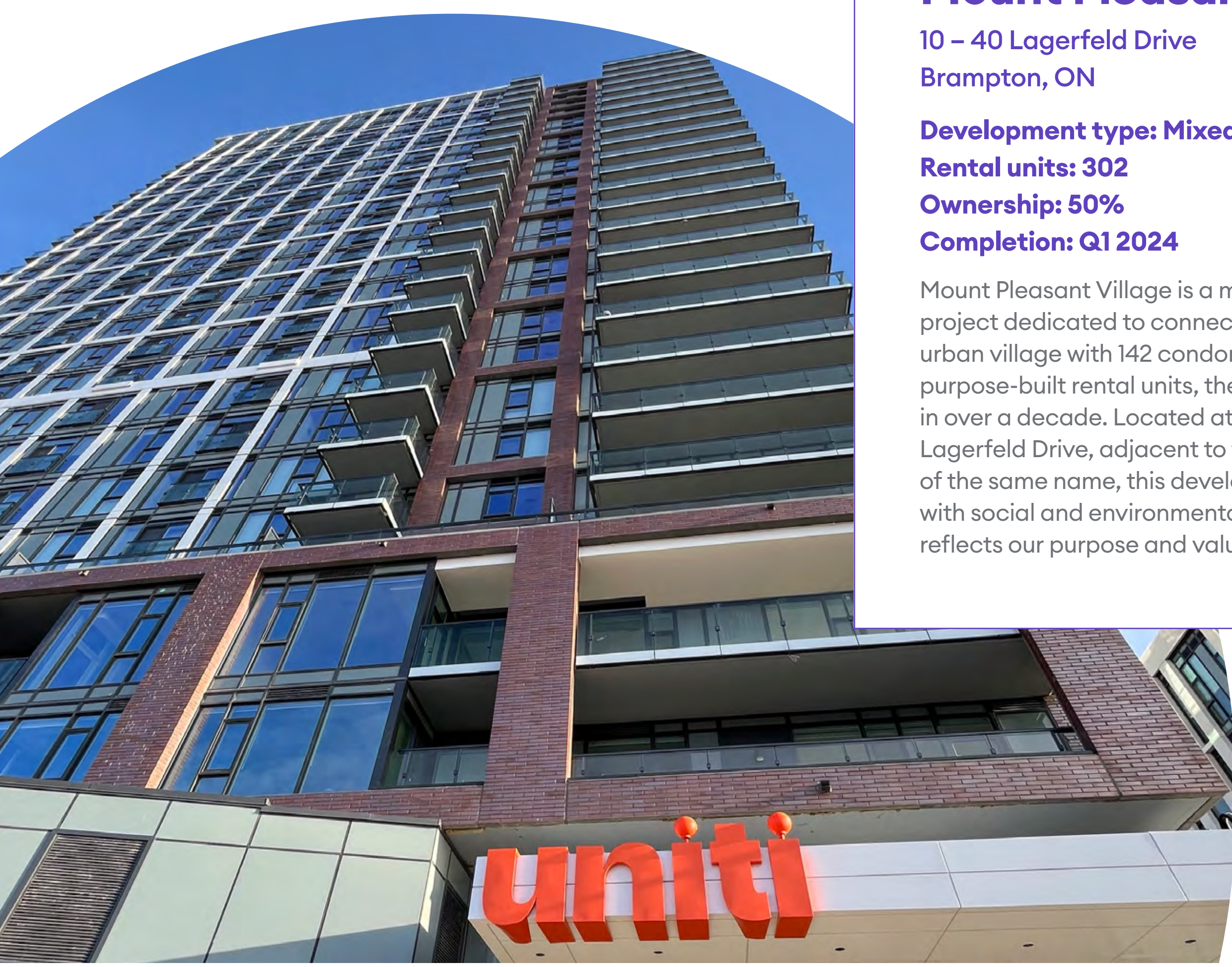
29%
Loblaw gross industrial revenue

[i] Calculated on total annualized gross rental revenue on a proportionate share basis[(1)] as at June 30, 2024
[ii] Calculated on segment's annualized gross rental revenue on a proportionate share basis[(1)] as at June 30, 2024 (Section 6)

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

Sq. ft.[i]	In Planning	Zoned & Ready	Active	Total
Total	7.1M	8.1M	2.0M	17.2M
Retail	—	0.3M	0.2M	0.5M
Industrial	—	4.2M	1.8M	6.0M
Mixed-Use & Residential	7.1M	3.6M	—	10.7M

[i] At the Trust's share



Mount Pleasant Village

10 – 40 Lagerfeld Drive
Brampton, ON

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

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

Rendering

Choice Caledon Business Park

(Buildings A & H)
5762 Mayfield Road
Caledon, ON

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

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

27th Street

Grand Forks, BC

Development type: Retail
Intensification GLA: 4,974 sq. ft.[i]
Property GLA: 40,375 sq. ft.
Ownership: 100%
Completion: Q4 2023

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

[i] Building area associated with ground lease

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

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

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

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

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

Numerous risks and uncertainties could cause the Trust's actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in Section 11, "Enterprise Risks and Risk Management" of this MD&A and the Trust's Annual Information Form ("AIF") for the year ended December 31, 2023. Selected highlights of such risks and uncertainties include:

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

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

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

Additional risks and uncertainties are discussed in Choice Properties' materials filed with the Canadian securities regulatory authorities from time to time, including without limitation, the Trust's AIF for the year ended December 31, 2023. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Choice Properties' expectations only as of the date of this MD&A. Except as required by applicable law, Choice Properties does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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

George Weston Limited ("GWL") is the controlling unitholder of the Trust and the controlling shareholder of Loblaw Companies Limited ("Loblaw"), the Trust's largest tenant. As of June 30, 2024, GWL held a 61.7% effective interest in Choice Properties. Choice Properties' ultimate parent is Wittington Investments, Limited ("Wittington"), the controlling shareholder of GWL.

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

The information in this MD&A is current to July 18, 2024, unless otherwise noted.

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

1. KEY PERFORMANCE INDICATORS AND SELECTED FINANCIAL INFORMATION

Choice Properties has identified key financial and operating performance indicators that were derived from, and should be read in conjunction with, the unaudited interim period condensed consolidated financial statements of the Trust for the three and six months ended June 30, 2024 and 2023. The analysis of the indicators focuses on trends and significant events affecting the financial condition and results of operations of the Trust.

As at or for the three months ended June 30 ($ thousands except where otherwise indicated)		2024		2023
Number of income producing properties(i)		**702**		704
GLA (in millions of square feet)(ii)		**65.9**		64.5
Occupancy*(ii)		**98.0 %**		97.4 %
Total assets (GAAP)	**$**	**17,647,585**	$	17,110,563
Total liabilities (GAAP)	**$**	**12,748,762**	$	12,602,109
Rental revenue (GAAP)	**$**	**335,388**	$	330,327
Net income	**$**	**513,231**	$	535,668
Net income per unit diluted	**$**	**0.709**	$	0.740
FFO(1) per unit diluted*	**$**	**0.255**	$	0.254
FFO(1) payout ratio*		**74.4 %**		73.9 %
AFFO(1) per unit diluted*	**$**	**0.244**	$	0.235
AFFO(1) payout ratio*		**77.9 %**		79.6 %
Distribution declared per unit	**$**	**0.190**	$	0.188
Weighted average number of units outstanding – diluted(iii)		**723,659,539**		723,656,668
Adjusted debt to total assets(1)(iv)(v)*		**42.2 %**		40.5 %
Debt service coverage(iv)*		**3.0x**		3.1x
Adjusted debt to EBITDAFV(1)(iv)(vi)*		**7.6x**		7.4x
Indebtedness(vii) – weighted average term to maturity*		**6.0 years**		5.7 years
Indebtedness(vii) – weighted average interest rate*		**4.12 %**		3.97%

* Denotes a key performance indicator

(i) Effective the fourth quarter of 2023, the Trust reassessed its internal definition of a distinct income producing property. The net impact resulted in an increase the number of income producing properties by two in 2023.
(ii) Includes 1,865,000 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, 2023 - 687,000 sq. ft.).
(iii) Includes Trust Units and Exchangeable Units.
(iv) Debt ratios exclude Exchangeable Units, see Section 4, "Liquidity and Capital Resources". The ratios are non-GAAP financial measures calculated based on the Trust Indentures, as supplemented.
(v) Adjusted debt to total assets(1), normalized for $500 million excess cash from the issuance of Series U debentures held to repay a portion of the $550 million Series K debentures upon maturity in Q3 2024(2) was 40.5% as at June 30, 2024.
(vi) Adjusted debt to EBITDAFV, net of cash(1) was 6.9x as at June 30, 2024 and 7.3x as at June 30, 2023.
(vii) 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, 2024			As at December 31, 2023		
($ thousands)	GAAP Basis	Adjustment to Proportionate Share Basis[(1)]	Proportionate Share Basis[(1)]	GAAP Basis	Adjustment to Proportionate Share Basis[(1)]	Proportionate Share Basis[(1)]
Assets						
Investment properties	$ 15,027,000	$ 1,664,000	$ 16,691,000	$ 14,923,000	$ 1,722,000	$ 16,645,000
Equity accounted joint ventures	828,364	(828,364)	—	883,712	(883,712)	—
Financial real estate assets	197,765	(197,765)	—	195,457	(195,457)	—
Residential development inventory	1,991	—	1,991	8,681	—	8,681
Mortgages, loans and notes receivable	525,070	(94,890)	430,180	656,001	(95,756)	560,245
Investment in real estate securities	180,797	—	180,797	238,308	—	238,308
Intangible assets	13,464	—	13,464	13,964	—	13,964
Accounts receivable and other assets	219,298	15,595	234,893	137,180	10,247	147,427
Assets held for sale	34,250	—	34,250	—	—	—
Cash and cash equivalents	619,586	37,171	656,757	252,424	23,195	275,619
Total Assets	$ 17,647,585	$ 595,747	$ 18,243,332	$ 17,308,727	$ 580,517	$ 17,889,244
Liabilities and Equity						
Long term debt	$ 7,149,653	$ 541,497	$ 7,691,150	$ 6,695,923	$ 529,129	$ 7,225,052
Exchangeable Units	5,081,899	—	5,081,899	5,521,222	—	5,521,222
Trade payables and other liabilities	517,210	54,250	571,460	723,080	51,388	774,468
Total Liabilities	12,748,762	595,747	13,344,509	12,940,225	580,517	13,520,742
Equity						
Unitholders' equity	4,898,823	—	4,898,823	4,368,502	—	4,368,502
Total Equity	4,898,823	—	4,898,823	4,368,502	—	4,368,502
Total Liabilities and Equity	$ 17,647,585	$ 595,747	$ 18,243,332	$ 17,308,727	$ 580,517	$ 17,889,244

Balance Sheet Analysis (GAAP Basis)

Line Item	$ Change	Variance Commentary
Investment properties	$ 104,000	The increase compared to December 31, 2023 was primarily attributable to capital and leasing expenditures of $59.1 million, acquisitions of $71.5 million, transfer from equity accounted joint ventures of $21.1 million, and a favourable fair value adjustment on investment properties of $26.7 million. The increase was partially offset by dispositions of $39.0 million and the transfer of one retail property with a fair value of $34.3 million to assets held for sale.
Equity accounted joint ventures	(55,348)	The decrease was primarily attributable to the disposition of three properties and the transfer of a property to investment properties following the acquisition of the partner's share of the underlying asset in the current period, partially offset by income earned from equity accounted joint ventures.
Residential development inventory	(6,690)	The decrease was primarily due to the cost of sales recognized in relation to the sale of the Trust's ownership interest of 36 condominium units at its Mount Pleasant Village residential project in Brampton, ON, partially offset by development expenditures incurred during the period.
Mortgages, loans and notes receivable	(130,931)	The decrease was primarily due to the repayment of GWL's prior year outstanding notes receivable balance of $295.8 million, partially offset by $149.4 million of notes receivable advanced to GWL in the current year and mortgage receivable net advances of $15.5 million.
Investment in real estate securities	(57,511)	The decrease was due to a fair value loss of $57.5 million on the real estate securities in the period due to the decrease in the price of Allied's publicly traded units.
Working capital	655,150	The net increase was primarily due to excess cash held following the issuance of Series U senior unsecured debentures and the reduction in the exchangeable unit distribution payable to GWL upon settlement against prior year's notes receivable balance, partially offset by the distributions deferred in the current year.
Long term debt and credit facility	453,730	The increase was primarily due to the issuance of the $500.0 million Series U senior unsecured debentures and net mortgage advances of $160.6 million, partially offset by the repayment of $200.0 million Series D senior unsecured debentures and net construction loan repayments of $6.1 million.
Exchangeable Units	(439,323)	As this liability is measured at fair value, the change was due to the decrease in the unit price for Choice Properties since December 31, 2023.
Unitholders' equity	530,321	The increase was primarily due to year-to-date net income, partially offset by the distributions to Unitholders.

3. INVESTMENT PROPERTIES

To expand the portfolio and participate in development opportunities, Choice Properties owns varying interests in real estate entities that hold investment properties. Under GAAP, many of these interests are recorded as equity accounted joint ventures and, as such, the Trust's share of the investment properties owned by these entities is presented on the balance sheet as a summarized value, not as part of the total investment properties. In addition, the Trust also has financial real estate assets which are not included with investment properties as prepared under GAAP. Refer to Section 14.1, "Investment Properties Reconciliation" for a reconciliation of the continuity of investment properties determined in accordance with GAAP.

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

	Three Months			Six Months		
For the period ended June 30, 2024 ($ thousands)	Income Producing Properties	Properties Under Development	**Investment Properties(i)**	Income Producing Properties	Properties Under Development	**Investment Properties(i)**
GAAP balance, beginning of period	$ 14,737,000	$ 237,000	**$ 14,974,000**	$ 14,635,000	$ 288,000	**$ 14,923,000**
Adjustments to proportionate share basis(i)	1,120,000	612,000	**1,732,000**	1,122,000	600,000	**1,722,000**
Non-GAAP proportionate share balance(1), beginning of period	15,857,000	849,000	**16,706,000**	15,757,000	888,000	**16,645,000**
Acquisitions of investment properties(ii)	33,091	—	**33,091**	71,524	—	**71,524**
Capital expenditures						
Development capital(iii)	—	30,439	**30,439**	—	60,956	**60,956**
Building improvements	3,833	—	**3,833**	9,610	—	**9,610**
Capitalized interest(iv)	—	1,239	**1,239**	—	2,842	**2,842**
Property capital	2,585	—	**2,585**	7,038	—	**7,038**
Direct leasing costs	2,120	—	**2,120**	3,807	—	**3,807**
Tenant improvement allowances	1,606	—	**1,606**	6,146	—	**6,146**
Amortization of straight-line rent	(776)	—	**(776)**	99	—	**99**
Transfer to assets held for sale	(34,250)	—	**(34,250)**	(34,250)	—	**(34,250)**
Transfers from properties under development	8,307	(8,307)	**—**	82,892	(82,892)	**—**
Dispositions	(80,429)	—	**(80,429)**	(103,754)	—	**(103,754)**
Adjustment to fair value of investment properties	34,913	(9,371)	**25,542**	27,888	(5,906)	**21,982**
Non-GAAP proportionate share balance(1), as at June 30, 2024	**$ 15,828,000**	**$ 863,000**	**$ 16,691,000**	**$ 15,828,000**	**$ 863,000**	**$ 16,691,000**

(i) Refer to Section 14.1, "Investment Properties Reconciliation", for a reconciliation of the continuity of investment properties determined in accordance with GAAP.
(ii) Inclusive of acquisition costs.
(iii) Development capital included site intensification payments made to Loblaw of $1,242 for the three and six months ended June 30, 2024.
(iv) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.14% and 4.11% for the three and six months ended June 30, 2024, 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 (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.

As at June 30, 2024, the Trust has classified one retail property with a fair value of $34,250 (December 31, 2023 - $nil) as assets held for sale.

3.1 Valuation Method

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

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

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

As at June 30, 2024	**Retail**	**Industrial**	**Mixed-Use & Residential**	**Total Investment Properties**
Discount rate	**7.35%**	**6.73%**	**5.81%**	**7.11%**
Terminal capitalization rate	**6.58%**	**5.87%**	**5.22%**	**6.33%**
Overall capitalization rate	**6.34%**	**5.60%**	**4.95%**	**6.08%**
As at December 31, 2023	Retail	Industrial	Mixed-Use & Residential	Total Investment Properties
Discount rate	7.38%	6.41%	5.87%	7.06%
Terminal capitalization rate	6.59%	5.59%	5.27%	6.27%
Overall capitalization rate	6.37%	5.33%	5.01%	6.04%

Valuation Commentary

For the three months ended June 30, 2024, the Trust recorded a favourable adjustment of $28.0 million on a GAAP basis and a favourable adjustment of $25.5 million on a proportionate share basis[1] to the value of investment properties.

For the six months ended June 30, 2024, the Trust recorded a favourable adjustment of $26.7 million on a GAAP basis and a favourable adjustment of $22.0 million on a proportionate share basis[1] to the value of investment properties.

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

3.2 Investment Property and Other Transactions

Acquisitions of Investment Properties

The following table summarizes the investment properties acquired in the six months ended June 30, 2024:

($ thousands except where otherwise indicated)						Consideration	
Property / Location	**Date of Acquisition**	**Segment**	**Ownership Interest Acquired**	**GLA (square feet)**	**Purchase Price incl. Related Costs**	**Debt Assumed from Seller**	**Cash**
Investment properties							
396 St. Clair Ave. W., Toronto, ON	Mar 19	Retail	100 %	74,322	$ 38,433	$ —	$ 38,433
Acquisitions from related parties				**74,322**	**38,433**	**—**	**38,433**
755 Mount Pleasant Rd., Toronto, ON	June 20	Retail	100 %	13,280	11,966	—	11,966
Cornerstone Shopping Centre, Fort Saskatchewan, AB	June 21	Retail	50 %	101,577	21,125	12,153	8,972
Acquisitions from third-parties				**114,857**	**33,091**	**12,153**	**20,938**
Total acquisitions of investment properties				**189,179**	**$ 71,524**	**$ 12,153**	**$ 59,371**

Dispositions of Investment Properties

The following table summarizes the investment properties sold in the six months ended June 30, 2024:

($ thousands except where otherwise indicated)						Consideration		
Property / Location	**Date of Disposition**	**Segment**	**Ownership Interest Disposed**	**GLA (square feet)**	**Sale Price excl. Selling Costs**	**Debt Assumed by Purchaser**	**Mortgage Receivable Advanced**	**Cash**
Investment properties								
Crossroads Shopping Centre, Edmonton, AB	Feb 14	Retail	50 %	13,520	$ 6,700	$ —	$ —	$ 6,700
379 Orenda Rd., Brampton, ON	Mar 14	Industrial	100 %	114,000	16,625	—	—	16,625
Cornerstone Shopping Centre, Olds, AB	May 13	Retail	50 %	58,221	15,685	7,586	2,510	5,589
Dispositions of investment properties				**185,741**	**39,010**	**7,586**	**2,510**	**28,914**
Equity accounted joint ventures								
Cornerstone Shopping Centre, Okotoks, AB	May 13	Retail	50 %	78,370	23,500	7,705	4,300	11,495
Cornerstone Shopping Centre, Prince Albert, SK(i)	June 19	Retail	44 %	195,901	41,244	—	4,260	36,984
Dispositions in equity accounted joint ventures				**274,271**	**64,744**	**7,705**	**8,560**	**48,479**
Total dispositions of investment properties				**460,012**	**$ 103,754**	**$ 15,291**	**$ 11,070**	**$ 77,393**

(i) Comprised of two retail assets located in Prince Albert, SK.

3.3 Completed Developments

For the six months ended June 30, 2024, Choice Properties completed a total of $82.6 million in development projects delivering 70,000 square feet of commercial space and 101,000 square feet of residential space comprising 151 units (at the Trust's share) with a weighted average yield of 5.5%.

The Trust delivered five retail developments including the expansion of an existing building with a national retailer, a ground lease in Ontario, a Shoppers Drug Mart and a ground lease in Alberta, and a financial institution in Saskatchewan. In addition, the Trust delivered one residential development at Mount Pleasant Village in Brampton, Ontario, in which the Trust owns a 50% interest. This development of 302 units offers a unique rental community in the heart of Brampton's Mount Pleasant Village.

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

For the six months ended June 30, 2024, Choice Properties transferred the following from properties under development to income producing properties as presented on a proportionate share basis(1):

($ thousands except where otherwise indicated)

Project / Location	Completion date	Ownership %	Transferred GLA (square feet)	Transferred residential units(i)	Cost of assets transferred	Expected stabilized yield(2) (ii)
Commercial						
Retail						
Guelph St., Georgetown, ON	Q1 2024	100 %	26,000	—	$ 7,900	8.8 %
Harvest Hills Market, Edmonton, AB(iv)	Q2 2024	50 %	1,000	—	516	12.6 % (iii)
Carlton Spur, Prince Albert, SK	Q2 2024	25 %	2,000	—	666	9.5 % (v)
43rd Ave., Innisfail, AB	Q2 2024	100 %	17,000	—	6,055	6.8 % (v)
Highway 88, Bradford, ON(iv)	Q2 2024	100 %	24,000	—	732	25.3 %
Subtotal retail development			**70,000**	**—**	**15,869**	**8.9 %**
Mixed-Use & Residential						
Mount Pleasant Village, Brampton, ON	Q1 2024	50 %	101,000	151	66,685	4.7 % (iii)
Subtotal mixed-use & residential development			**101,000**	**151**	**66,685**	**4.7 %**
Total transferred properties at carrying value			**171,000**	**151**	**$ 82,554**	**5.5 %**

(i) Choice Properties' share.
(ii) Unless otherwise noted, there were no material changes in previously reported expected stabilized yield.
(iii) Expected stabilized yield for this development has increased due to higher expected income.
(iv) This development includes a ground lease.
(v) 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, 2024 is summarized below:

($ thousands except where otherwise indicated)			GLA[i][ii] (square feet)	Investment[i][iii]		
Project type	**Section**	**Number of projects**	**Estimated upon completion[2]**	**To-date**	**Estimated cost to completion[2][iv]**	**Estimated total**
Projects under active development						
Retail	3.5	18	236,000	$ 16,415	$ 67,079	$ 83,494
Industrial	3.5	2	1,750,000	119,680	241,375	361,055
Residential[v]		1	—	1,991	103	2,094
Subtotal projects under active development		**21**	**1,986,000**	**138,086**	**308,557**	**446,643**
Developments in planning						
Retail	3.6	10	272,000	26,916		
Industrial	3.6	2	4,230,000	216,016		
Mixed-Use & Residential	3.6	13	10,726,000	156,139		
Subtotal developments in planning		**25**	**15,228,000**	**399,071**		
Total development - cost		**46**	**17,214,000**	**$ 537,157**		
Total development - fair value[vi]				**$ 863,000**		

(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 53% during the second half of 2024 and the remainder thereafter.
(v) Active residential represents the remaining units of the condominium portion of the Trust's Mount Pleasant Village development project. This project is included within residential development inventory. The Trust expects to recognize the revenue and cost of sales in relation to the remaining units in the second half of 2024[2].
(vi) Total development fair value excludes residential development inventory of $1,991 as at June 30, 2024 (December 31, 2023 - $8,681).

3.5 Properties Under Active Development

Projects under active development are sites under construction or sites with appropriate approvals in place which are expected to commence construction in the next six to twelve months. Currently, the Trust has 21 active developments comprised of 18 retail, 2 industrial and 1 residential. Upon completion, the projects under active development are expected to deliver a total of 1,986,000 square feet of commercial space (including 993,000 square feet associated with ground leases). In addition, there are 6 condominium units, at share, left to be sold. The Trust has invested a total of $138.1 million to date and is expected to invest an additional $308.6 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 236,000 square feet at share of active retail development (including 72,000 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, 2024:

($ thousands except where otherwise indicated)				GLA(i) (square feet)		Investment(i)(ii)			
	Project / Location	**Ownership %**	**Expected completion date(iii)**	**Estimated upon completion(2)**	**% Leased**	**To-date**	**Estimated cost to completion(2)**	**Estimated total**	**Expected stabilized yield(2)(iv)**
	Retail								
1	137 Ave., Edmonton, AB	100 %	H2 2024	7,000	100 %	$ 2,660	$ 2,133	$ 4,793	6.25%-6.75%
2	Sunwapta West, Building 6-8, Edmonton, AB(v)(vi)	50 %	H2 2024	5,000	100 %	1,849	999	2,848	8.25%-8.75%
3	20 Jocelyn St., Port Hope, ON(v)	100 %	H2 2024	44,000	100 %	—	1,326	1,326	15.50%-16.00%
4	Country Village Rd NE, Calgary, AB	100 %	H2 2024	29,000	100 %	5,366	7,344	12,710	6.00%-6.50%
5	211 Bell Blvd., Belleville, ON(v)	100 %	H2 2024	21,000	100 %	—	891	891	13.00%-13.50%
6	Harvest Pointe, Building 18, Edmonton, AB(vi)	50 %	H2 2024	6,000	100 %	3,043	122	3,165	6.25%-6.75%
7	Sunwapta West, Building 2 B, Edmonton, AB(vi)	50 %	H2 2024	3,000	100 %	309	1,413	1,722	7.00%-7.50%
8	100th St., Morinville, AB	100 %	H2 2024	17,000	100 %	—	6,881	6,881	5.75%-6.25%
9	Harvest Hills Market, Building 5 & 9, Edmonton, AB(vi)	50 %	H2 2024	7,000	100 %	875	2,991	3,866	7.50%-8.00%
10	Sunwapta West, Building 2 A, Edmonton, AB(vi)	50 %	H1 2025	5,000	100 %	516	1,300	1,816	5.75%-6.25%
11	2132 & 2136 McPhillips St., Winnipeg, MB(v)	100 %	H1 2025	2,000	100 %	26	1,025	1,051	9.25%-9.75% (vii)
12	3050 Argentia Rd., Mississauga, ON	100 %	H1 2025	17,000	100 %	—	6,290	6,290	6.25%-6.75%
13	12035 Highway 17E, Sturgeon Falls, ON	100 %	H1 2025	17,000	100 %	—	6,214	6,214	5.50%-6.00%
14	Countryview Dr., Dartmouth, NS(v)	50 %	H1 2025	3,000	100 %	662	1,040	1,702	7.25%-7.75%
15	291-295 Hwy. #214, Elmsdale, NS,	100 %	H1 2025	17,000	100 %	—	8,051	8,051	6.00%-6.50% (vii)
16	Harvest Hills Market, Building 8, Edmonton, AB(vi)	50 %	H1 2025	2,000	100 %	336	713	1,049	7.25%-7.75%
17	Langstaff & Hwy 27, Woodbridge, ON	100 %	H1 2025	17,000	100 %	773	8,365	9,138	6.00%-6.50%
18	1641 & 1675 Jane St., North York, ON	100 %	H1 2026	17,000	100 %	—	9,981	9,981	4.75%-5.25%
	Total retail developments			**236,000**		**$ 16,415**	**$ 67,079**	**$ 83,494**	**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) This development includes a ground lease.
(vi) Development project with phased completion. Reported expected stabilized yield may vary as phases are completed or as future phases are added to the development.
(vii) Expected stabilized yield for this development has decreased from due to higher costs.

Projects Under Active Development – Industrial

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

The following table details the Trust's industrial projects under active development on a proportionate share basis(1) as of June 30, 2024:

($ thousands except where otherwise indicated)				GLA(i) (square feet)		Investment(i)(ii)			
	Project / Location	Ownership %	Expected completion date(iii)	Estimated upon completion(2)	% Leased	To-date	Estimated cost to completion(2)	Estimated total	Expected stabilized yield(2)(iv)
	Industrial								
1	Choice Caledon Business Park - Building A, Caledon, ON(v)	85 %	H2 2024	921,000	100 %	$ 80,122	$ 47,029	$ 127,151	7.25%-7.75%
2	Choice Caledon Business Park - Building H, Caledon, ON(vi)	85 %	H2 2025	829,000	64 %	39,558	194,346	233,904	6.75%-7.25%
	Total industrial developments			**1,750,000**		**$ 119,680**	**$ 241,375**	**$ 361,055**	**7.00%-7.50%**

(i) Choice Properties' share.
(ii) Compiled on a non-GAAP proportionate share basis(1). Investment to-date was compiled on a cash basis, excluding adjustments to fair value of on-going projects.
(iii) H1 represents the first six months of the year. H2 represents the last six months of the year.
(iv) There were no material changes in previously reported expected stabilized yields.
(v) The development is a ground lease. This phase of the development is estimated at 1.1 million square feet or 0.9 million square feet at share based on the current site plan subdivision.
(vi) The development includes an expansion option to the tenant for the entirety of the space.

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

3.6 Development in Planning

Beyond the projects under active development, Choice Properties has a substantial pipeline of larger, more complex mixed-use developments and land held for future commercial development 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, 2024, the Trust has identified 25 sites with potential for future development. This includes 10 opportunities totalling 272,000 square feet at existing retail sites, 2 industrial sites totalling 4,230,000 square feet, and 13 residential and mixed-use projects totalling 10,726,000 square feet and 12,857 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 $399.1 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	**10**	**$ 26,916**

(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**	**$ 216,016**

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

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

Project / Location	Description
Choice Caledon Business Park - Remaining Phases, Caledon, ON	During the third quarter of 2022, the joint venture achieved entitlement to convert the lands from agricultural uses to employment uses through a Ministerial Zoning Order. Draft Plan of Subdivision and Site Plan Applications for the first phase were submitted during the second quarter of 2023 and the grading permit was received and site works commenced. Site preparation costs for the subdivision of the remaining phases is expected to be $102.0 million in total, or $86.7 million at share, occurring over the next 12-18 months. The remainder of the development is expected to consist of warehouse, distribution, and industrial uses totalling approximately 4.2 million square feet on 221 net developable acres (at 100% share). The Trust has invested $184.8 million to date, including land acquisition related to the remaining phases of the development.
Choice Eastway Industrial Centre - Phase 2, East Gwillimbury, ON	The second phase of the Trust's project constitutes approximately 54 acres (at 100% share) of developable land and is fully zoned. The Trust continues progress on site preparation. The second phase is anticipated to be approximately 0.8 million total square feet (at 100% share). The Trust has invested $31.3 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 three residential and mixed-use developments, and has submitted applications for seven residential and mixed-use projects. A total of $156.1 million has been invested to date on land acquisition and initial development and planning costs.

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

($ thousands except where otherwise indicated)					Estimated GLA(i)(ii) (000's square feet)			
Project / Location	**Type**	**Ownership %**	**Acreage(i)**	**Estimated number of units(i)**	**Commercial**	**Residential**	**Total**	**Investment to-date (i)(iii)**
Zoning approved								
1 Golden Mile, Toronto, ON	Mixed-Use	100 %	19.0	3,597	323	2,907	3,230	$ 18,186
2 Grenville & Grosvenor, Toronto, ON	Residential	50 %	0.5	385	17	320	337	36,786
3 Sheppard Ave. W., Toronto, ON	Residential	50 %	0.3	100	5	64	69	6,969
Subtotal zoning approved			**19.8**	**4,082**	**345**	**3,291**	**3,636**	**61,941**
Zoning applications submitted								
1 Broadview Ave., Toronto, ON	Mixed-Use	100 %	3.3	503	23	409	432	4,144
2 Carlaw Ave., Toronto, ON	Mixed-Use	100 %	5.6	1,080	84	993	1,077	7,792
3 Dundas St. W., Toronto, ON	Mixed-Use	100 %	13.0	1,923	178	1,477	1,655	45,743
4 Parkway Forest Dr., Toronto, ON	Residential	50 %	1.5	191	—	120	120	1,840
5 Photography Dr., Toronto, ON	Mixed-Use	100 %	7.7	2,356	50	2,010	2,060	4,431
6 Warden Ave., Toronto, ON	Mixed-Use	100 %	6.5	2,100	10	1,290	1,300	13,348
7 Woodbine Ave., Toronto, ON	Mixed-Use	100 %	1.7	622	24	422	446	7,149
Subtotal zoning applications submitted			**39.3**	**8,775**	**369**	**6,721**	**7,090**	**84,447**
Zoning applications to be submitted								
1 Lower Jarvis, Toronto, ON	Mixed-Use	100 %	4.1	—	—	—	—	3,506
2 North Rd., Coquitlam, BC	Mixed-Use	100 %	7.8	—	—	—	—	4,087
3 South Service Rd., Mississauga, ON	Mixed-Use	100 %	10.4	—	—	—	—	2,158
Subtotal zoning applications to be submitted			**22.3**	**—**	**—**	**—**	**—**	**9,751**
Total mixed-use & residential projects in planning			**81.4**	**12,857**	**714**	**10,012**	**10,726**	**$ 156,139**

(i) Choice Properties' share.
(ii) Estimated GLA is based on current development plans and final development square footage may differ. For projects in planning, GLA is an estimate and may differ as the projects complete the rezoning and entitlement process.
(iii) Investment to-date is comprised of incremental land assembly and development planning costs.

Zoning Applications Approved

Obtaining zoning is a significant milestone in the development lifecycle. Zoning approval allows the Trust to unlock significant land value through the realization of residential density potential. Once zoning is approved, the next phase of the development process is obtaining all necessary permits, which allows the project to proceed to active development with construction commencement. The Trust has completed approvals on one mixed-use and two residential developments in Toronto, Ontario. As of June 30, 2024, the Trust has invested a total of $61.9 million to date on land acquisition and initial development and planning costs.

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

Zoning Applications Submitted

Choice Properties has submitted zoning applications for five mixed-use and two residential developments in Toronto, Ontario. As of June 30, 2024, the Trust has invested a total of $84.4 million to date on land acquisition and initial development and planning costs.

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

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

3.7 Future Pipeline

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

3.8 Mortgages, Loans and Notes Receivable

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

The Trust has issued $355,661 (December 31, 2023 - $360,150) of secured mortgages to third-party borrowers. These loans have been extended to borrowers who are strategic partners and counterparties of the Trust and are secured by real property assets. Included in this amount were advances of three vendor take-back mortgages with a total face value of $11,645 and a total fair value of $11,070 (Section 3.2) issued during the quarter. The mortgages bear interest at a weighted average rate of 6.81% and are secured by the disposed properties.

On June 21, 2024, the Trust advanced a $20,000 loan to a development partner. The loan bears interest at a rate of 7.00%.

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, 2024, GWL elected to receive distributions from Choice Properties Limited Partnership in the form of loans. As such, non-interest bearing short-term notes totalling $149,409 were issued during the six months ended June 30, 2024 to GWL. Non-interest bearing short-term notes totalling $295,851 with respect to the loans received in the 2023 fiscal year were settled against distributions payable by the Trust to GWL in January 2024.

As at June 30, 2024 ($ thousands)	**GAAP Basis**	**Proportionate Share Basis[1](i)**	**Proportionate Share Basis[1]** **Weighted average term to maturity (years)**	**Weighted average interest rate (%)**
Mortgages receivable	**$ 375,661**	**$ 280,771**	0.8	8.56 %
Notes receivable from GWL	**149,409**	**149,409**	—	—
Mortgages, loans and notes receivable	**$ 525,070**	**$ 430,180**		

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

As at December 31, 2023 ($ thousands)	GAAP Basis	Proportionate Share Basis[1](i)	Proportionate Share Basis[1] Weighted average term to maturity (years)	Weighted average interest rate (%)
Mortgages receivable	$ 360,150	$ 264,394	1.1	8.62 %
Notes receivable from GWL	295,851	295,851	—	— %
Mortgages, loans and notes receivable	$ 656,001	$ 560,245		

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

4. LIQUIDITY AND CAPITAL RESOURCES

4.1 Major Cash Flow Components

For the periods ended June 30 ($ thousands)	Three Months			Six Months		
	2024	2023	Change $	**2024**	2023	Change $
Cash and cash equivalents, beginning of period - GAAP basis	**$ 9,702**	$ 44,666	$ (34,964)	**$ 252,424**	$ 64,736	$ 187,688
Cash flows from operating activities	**136,282**	152,032	(15,750)	**277,874**	285,059	(7,185)
Cash flows used in investing activities	**(79,339)**	(86,241)	6,902	**(191,569)**	(294,508)	102,939
Cash flows from (used in) financing activities	**552,941**	(86,609)	639,550	**280,857**	(31,439)	312,296
Cash and cash equivalents, end of period - GAAP basis	**$ 619,586**	$ 23,848	$ 595,738	**$ 619,586**	$ 23,848	$ 595,738

Cash Flows from Operating Activities

Three and Six Months

Cash flows from operating activities decreased for the three and six month periods compared to the same prior year periods primarily due to an unfavourable change in working capital and an increase in interest paid, partially offset by higher net operating income, an increase in distributions from equity accounted joint ventures, an increase in interest received, and a decrease in expenditures on direct leasing costs and tenant allowances.

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

Cash Flows used in Investing Activities

Three and Six Months

Cash flows used in investing activities decreased for the three and six month periods compared to the same prior year periods primarily due to lower development spend and a capital distribution from one of the Trust's joint ventures related to takeout financing, partially offset by a decrease in cash from mortgage receivable repayments and an increase in cash used for acquisitions of investment properties.

For the six month period, a decrease in cash used for the acquisition of financial real estate assets further contributed to the decease.

Cash Flows from (used in) Financing Activities

Three and Six Months

Cash flows from financing activities increased for the three and six month periods compared to the same prior year periods primarily due to an increase in proceeds from the net issuance of senior unsecured debentures and an increase in net mortgages payable advances.

For the six month period, repayment of the credit facility balance in the prior year period further contributed to the increase.

4.2 Liquidity and Capital Structure

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

($ thousands)	As at June 30, 2024	As at December 31, 2023	Change $
Cash and cash equivalents - proportionate share basis(1)(i)	$ 656,757	$ 275,619	$ 381,138
Unused portion of the credit facility	1,500,000	1,500,000	—
Liquidity	$ 2,156,757	$ 1,775,619	$ 381,138
Unencumbered assets - proportionate share basis(1)	$ 12,798,882	$ 12,718,125	$ 80,757

(i) As at June 30, 2024, cash and cash equivalents included $520,041 of short-term investments (December 31, 2023 - $144,441). The Trust intends to use the short-term investments to repay upon maturity a portion of its outstanding $550,000 aggregate principal amount of 3.56% Series K senior unsecured debentures due on September 9, 2024(2).

4.3 Components of Total Adjusted Debt

Choice Properties' debt structure was as follows:

As at June 30, 2024 ($ thousands)	GAAP Basis	Proportionate Share Basis(1)	Proportionate Share Basis(1): Weighted average term to maturity (years)	Proportionate Share Basis(1): Weighted average interest rate (%)
Construction loans	$ 26,283	$ 109,580	0.6	6.67 %
Credit facility	—	—	—	— %
Less: Debt placement costs(i)	—	—		
Variable rate debt	26,283	109,580	0.6	6.67%
Construction loans	57,672	57,672	6.8	2.08 %
Senior unsecured debentures	5,950,000	5,950,000	5.4	4.14 %
Mortgages payable	1,137,250	1,602,713	8.0	4.12 %
Less: Debt placement costs, discounts and premiums	(21,552)	(28,815)		
Fixed rate debt	7,123,370	7,581,570	6.0	4.12%
Total adjusted debt, net	$ 7,149,653	$ 7,691,150		

(i) Unamortized debt placement costs for the credit facility of $2,603 were included in other assets as at June 30, 2024.

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

(i) Unamortized debt placement costs for the credit facility of $2,232 were included in other assets as at December 31, 2023.

Construction Loans
For the purpose of financing the development of certain industrial and mixed-use & residential properties, various investments in equity accounted joint ventures and co-ownerships have variable and fixed rate non-revolving construction facilities, in which certain subsidiaries of the Trust guarantee its own share. These construction loans, which mature throughout 2024 to 2031, have a maximum capacity to be drawn at the Trust's ownership interest of $342,778, of which $251,739, relates to equity accounted joint ventures, as at June 30, 2024 (December 31, 2023 - $447,987 and $328,261, respectively).

As at June 30, 2024, $167,252 was drawn on the construction loans, of which $83,297 relates to equity accounted joint ventures. The construction loans had a weighted average interest rate of 5.09% and a weighted average term to maturity of 2.7 years (December 31, 2023 - 5.88% and 2.0 years, respectively).

Credit Facility
Choice Properties has a $1,500,000 senior unsecured committed revolving credit facility provided by a syndicate of lenders. During the three months ended June 30, 2024, the Trust extended the maturity date for the credit facility from September 1, 2028 to June 13, 2029.

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 the U.S. dollar draws, the Trust enters into cross currency swaps to exchange its U.S. dollar borrowings into Canadian dollar borrowings. The Trust applies hedge accounting to the cross currency swaps.

As at June 30, 2024, $nil was drawn in U.S. dollar-denominated borrowings (December 31, 2023 - $nil) and $nil was drawn in Canadian dollar borrowings (December 31, 2023 - $nil). The unamortized balance for debt placement costs as at June 30, 2024 of $2,603 (December 31, 2023 - $2,232) was included in other assets.

The credit facility contains certain financial covenants. As at June 30, 2024, the Trust was in compliance with all its financial covenants for the credit facility.

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

On May 23, 2024, the Trust completed the issuance, on a private placement basis, of $500 million aggregate principal amount of Series U senior unsecured debentures bearing interest at a rate of 5.03% per annum and maturing on February 28, 2031. As at June 30, 2024, proceeds were invested in short-term investments earning interest at a rate of 5.50% per annum. The Trust intends to use the net proceeds held in short-term investments to repay a portion of its $550 million aggregated principal amount of 3.56% Series K senior unsecured debentures outstanding upon maturity on September 9, 2024[2].

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, 2024:

	GAAP Basis		Adjustment to Proportionate Share Basis[1]	Proportionate Share Basis[1]
For the six months ended June 30, 2024 ($ thousands)	Credit facility	Construction loans	Construction loans[i]	Total adjusted debt, variable rate
Principal balance outstanding, beginning of period	$ —	$ 49,603	$ 110,767	$ 160,370
Issuances and advances	—	2,531	30,255	32,786
Repayments	—	(25,851)	(57,725)	(83,576)
Principal balance outstanding, end of period	**$ —**	**$ 26,283**	**$ 83,297**	**$ 109,580**

(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, 2024:

	GAAP Basis			Adjustment to Proportionate Share Basis[1]	Proportionate Share Basis[1]
For the six months ended June 30, 2024 ($ thousands)	Senior unsecured debentures	Mortgages payable	Construction loans	Mortgages payable[(i)]	Total adjusted debt, fixed rate
Principal balance outstanding, beginning of period	$ 5,650,000	$ 976,661	$ 40,456	$ 426,197	$ 7,093,314
Issuances and advances[(ii)]	500,000	186,075	17,216	90,000	793,291
Repayments	(200,000)	(68,293)	—	(4,789)	(273,082)
Assumed by purchaser	—	(7,586)	—	(7,705)	(15,291)
Assumed from seller	—	12,153	—	—	12,153
Transfer from equity accounted joint ventures[(iii)]	—	38,240	—	(38,240)	—
Principal balance outstanding, end of period	**$ 5,950,000**	**$ 1,137,250**	**$ 57,672**	**$ 465,463**	**$ 7,610,385**

(i) Adjustment to proportionate share[1] reflects mortgages payable within equity accounted joint ventures.
(ii) Issuances and advances include $33,075 of mortgages assumed from the Trust's partner, previously secured by the partner's interest in the properties disposed by the Trust and its partner in the current quarter. These mortgages have been secured by other properties held by the Trust.
(iii) Transfer from equity accounted joint ventures includes the Trust's share of mortgages payable previously secured by the disposed properties mentioned above and the Trust's share of the mortgage payable related to an acquisition which was transferred to investment properties.

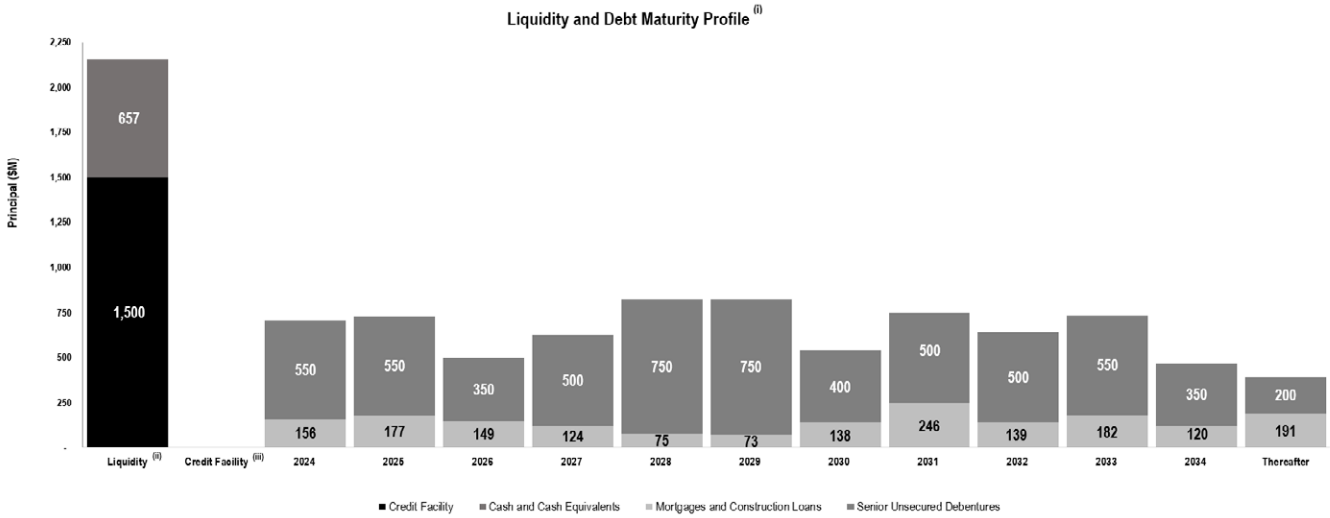
Schedules of Repayments and Cash Flow Activities

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

	GAAP Basis				Adjustment to Proportionate Share Basis[1]		Proportionate Share Basis[1]
As at June 30, 2024 ($ thousands)	Credit facility	Senior unsecured debentures	Mortgages payable	Construction loans	Mortgages payable[(i)]	Construction loans[(i)]	Total
Remainder of 2024	$ —	$ 550,000	$ 81,058	$ 26,283	$ 4,991	$ 44,019	**$ 706,351**
2025	—	550,000	127,964	—	9,619	39,278	**726,861**
2026	—	350,000	133,362	—	15,713	—	**499,075**
2027	—	500,000	92,306	—	31,237	—	**623,543**
2028	—	750,000	46,902	—	28,367	—	**825,269**
Thereafter	—	3,250,000	655,658	57,672	375,536	—	**4,338,866**
Total adjusted debt outstanding	**$ —**	**$ 5,950,000**	**$ 1,137,250**	**$ 83,955**	**$ 465,463**	**$ 83,297**	**$ 7,719,965**

(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 June 13, 2029.

4.4 Financial Condition

Choice Properties is subject to certain financial and non-financial covenants on its senior unsecured debentures and credit facility that include maintaining certain leverage and debt service ratios. These ratios are monitored by management on an ongoing basis to ensure compliance. Choice Properties was in compliance with all these covenants as at June 30, 2024 and December 31, 2023.

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

		As at June 30, 2024	As at December 31, 2023
Adjusted Debt to Total Assets[(1)(i)(ii)]	Limit: Maximum excluding convertible debt is 60.0%	**42.2 %**	40.4 %
Debt Service Coverage Ratio[(1)(i)]	Limit: Minimum 1.5x	**3.0x**	3.0x
Adjusted Debt to EBITDAFV[(1)(i)(iii)(iv)(v)(vi)]		**7.6x**	7.2x
Interest Coverage Ratio[(1)(iv)(v)]		**3.4x**	3.4x

(i) Debt ratios exclude Exchangeable Units. The ratios are non-GAAP financial measures calculated based on the Trust Indentures, as supplemented.
(ii) Adjusted Debt to Total Assets[(1)], normalized for $500 million excess cash from the issuance of Series U debentures held to repay a portion of the $550 million Series K debentures upon maturity in Q3 2024[(2)] was 40.5% as at June 30, 2024.
(iii) Refer to Section 14.8, "Earnings Before Interest, Taxes, Depreciation, Amortization and Fair Value" for a reconciliation of net income to EBITDAFV used in this ratio.
(iv) Refer to Section 14.7, "Net Interest Expense and Other Financing Charges Reconciliation" for a reconciliation of proportionate share basis[(1)] to GAAP basis for net interest expense and other financing charges used in this ratio.
(v) 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".
(vi) Adjusted Debt to EBITDAFV, net of cash[(1)] was 6.9x as at June 30, 2024 and 7.0x as at December 31, 2023.

4.5 Credit Ratings

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

On August 16, 2023, DBRS confirmed the Choice Properties rating at BBB (high) with a stable trend. On May 29, 2024, S&P upgraded the Choice Properties rating to BBB+ with a stable outlook. 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, 2024:

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

4.6 Unit Equity

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

	Six months ended June 30, 2024	Year ended December 31, 2023
Units, beginning of period	**327,859,972**	327,771,149
Units issued under unit-based compensation arrangements	**301,892**	329,716
Units repurchased for unit-based compensation arrangements	**(301,892)**	(240,893)
Units, end of period	**327,859,972**	327,859,972
Exchangeable Units, end of period	**395,786,525**	395,786,525
Total Units and Exchangeable Units, end of period	**723,646,497**	723,646,497

Normal Course Issuer Bid ("NCIB")
Choice Properties, may, from time to time, purchase Units in accordance with the rules prescribed under applicable stock exchange or regulatory policies. On November 17, 2023, Choice Properties received approval from the TSX to purchase up to 27,563,002 Units during the twelve-month period from November 21, 2023 to November 20, 2024, by way of a NCIB over the facilities of the TSX or through alternative trading systems. Choice Properties intends to file a Notice of Intention to make a NCIB with the TSX upon the expiry of its current NCIB.

Units Issued under Unit-Based Compensation Arrangements

Units were issued as part of settlements under the Unit Option Plan and grants under the Unit-Settled Restricted Unit Plan, as applicable.

Units Repurchased for Unit-Based Compensation Arrangements

The Trust acquired Units under its NCIB during the six months ended June 30, 2024 and the year ended December 31, 2023, which were then granted to certain employees in connection with the Unit-Settled Restricted Unit Plan, and are subject to vesting conditions and disposition restrictions.

Distributions

The distributions declared for the six months ended June 30, 2024 and 2023, including distributions to holders of Exchangeable Units, were as follows:

For the periods ended June 30 ($ thousands)	Three Months			Six Months		
	2024	2023	Change $	**2024**	2023	Change $
Total distributions declared	**$ 137,492**	$ 135,684	$ 1,808	**$ 273,779**	$ 270,162	$ 3,617

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.

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

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

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

4.7 Adjusted Cash Flow from Operations ("ACFO")

Adjusted Cash Flow from Operations[1] excludes most of the short-term fluctuations in non-cash working capital, such as property tax instalments, and the timing of semi-annual debenture instalments, although some fluctuations between quarters for operational cash flows still exist. ACFO[1] also adjusts cash flows from operating activities for the working capital required for operating capital expenditures to maintain productive capacity of the investment properties which adds volatility to the values due to seasonality of capital projects. Management includes this non-GAAP measure in its assessment of cash flow available for distributions. Refer to Section 14.5, "Adjusted Cash Flow from Operations", for a reconciliation of ACFO[1] to cash flows from operating activities, as determined in accordance with GAAP.

The table below summarizes the ACFO[1] metrics:

For the periods ended June 30 ($ thousands)	Three Months			Six Months		
	2024	2023	Change $	**2024**	2023	Change $
Adjusted Cash Flow from Operations[1]	**$ 194,575**	$ 138,204	$ 56,371	**$ 368,480**	$ 305,259	$ 63,221
Cash distributions declared	**137,492**	135,684	1,808	**273,779**	270,162	3,617
Cash retained after cash distributions	**$ 57,083**	$ 2,520	$ 54,563	**$ 94,701**	$ 35,097	$ 59,604
ACFO[1] payout ratio	**70.7 %**	98.2 %	(27.5)%	**74.3 %**	88.5 %	(14.2)%

Three and Six Months

ACFO[1] increased for the three and six month periods compared to the same prior year periods primarily due to a favourable change in working capital, higher net operating income and a decrease in leasing and maintenance spend.

4.8 Financial Instruments

Designated hedging derivatives consist of interest rate swaps to hedge the interest rate associated with an equivalent amount of variable rate mortgages, and cross currency swaps to hedge foreign exchange associated with the equivalent amount borrowed in US$ on the Trust's credit facility. During the six months ended June 30, 2024, an interest swap was settled upon maturity of the underlying variable rate mortgage. As at June 30, 2024, the interest rates associated with the interest rate swaps ranged from 2.8% to 5.0% (December 31, 2023 - 2.8% to 5.0%).

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

($ thousands)	Maturity Date	Notional Amount	As at June 30, 2024	As at December 31, 2023
Derivative assets				
Interest rate swaps	**Nov 2025 - Jun 2030**	**$ 77,677**	**$ 8,025**	$ 7,872
Total derivative assets		**$ 77,677**	**$ 8,025**	$ 7,872
Derivative liabilities				
Interest rate swaps	**March 1, 2030**	**$ 75,582**	**$ 105**	$ 1,337
Total derivative liabilities		**$ 75,582**	**$ 105**	$ 1,337

During the six months ended June 30, 2024, Choice Properties recorded an unrealized fair value gain in other comprehensive income of $1,385 (June 30, 2023 - unrealized fair value gain of $817).

4.9 Off-Balance Sheet Arrangements

Choice Properties issues letters of credit to support guarantees related to its investment properties including maintenance and development obligations to municipal authorities. As at June 30, 2024, the aggregate gross potential liability related to these letters of credit totalled $37,076 (December 31, 2023 - $37,668).

5. RESULTS OF OPERATIONS

Choice Properties' results, as reported under GAAP, for the three and six months ended June 30, 2024 and June 30, 2023 are summarized below:

For the periods ended June 30 ($ thousands)	Three Months				Six Months			
	2024	2023	Change $	% Change	2024	2023	Change $	% Change
Net Operating Income								
Rental revenue	$ 335,388	$ 330,327	$ 5,061	1.5 %	$ 673,346	$ 654,984	$ 18,362	2.8 %
Property operating costs	(93,195)	(92,175)	(1,020)	1.1 %	(191,300)	(187,445)	(3,855)	2.1 %
	242,193	238,152	4,041	1.7 %	482,046	467,539	14,507	3.1 %
Residential Inventory Income								
Gross sales	—	—	—	— %	11,268	—	11,268	— %
Cost of sales	—	—	—	— %	(9,234)	—	(9,234)	— %
	—	—	—	— %	2,034	—	2,034	— %
Other Income and Expenses								
Interest income	15,275	11,321	3,954	34.9 %	25,034	20,296	4,738	23.3 %
Investment income(i)	5,315	5,315	—	— %	10,630	10,630	—	— %
Fee income	625	688	(63)	(9.2)%	1,326	2,341	(1,015)	(43.4)%
Net interest expense and other financing charges	(146,204)	(141,125)	(5,079)	3.6 %	(288,488)	(280,482)	(8,006)	2.9 %
General and administrative expenses	(17,200)	(13,649)	(3,551)	26.0 %	(31,838)	(28,211)	(3,627)	12.9 %
Share of income from equity accounted joint ventures	1,370	3,353	(1,983)	(59.1)%	6,088	26,177	(20,089)	(76.7)%
Amortization of intangible assets	(250)	(250)	—	— %	(500)	(500)	—	— %
Transaction costs and other related expenses	38,615	(9)	38,624	n/a	38,615	(34)	38,649	n/a
Adjustment to fair value of unit-based compensation	1,288	998	290	29.1 %	2,069	1,730	339	19.6 %
Adjustment to fair value of Exchangeable Units	372,039	375,997	(3,958)	(1.1)%	439,323	470,986	(31,663)	(6.7)%
Adjustment to fair value of investment properties	28,035	86,053	(58,018)	(67.4)%	26,670	161,820	(135,150)	(83.5)%
Adjustment to fair value of investment in real estate securities	(27,870)	(31,176)	3,306	(10.6)%	(57,511)	(45,819)	(11,692)	25.5 %
Income before Income Taxes	513,231	535,668	(22,437)	(4.2)%	655,498	806,473	(150,975)	(18.7)%
Income tax recovery (expense)	—	—	—	— %	12	(1)	13	(1300.0)%
Net Income	$ 513,231	$ 535,668	$ (22,437)	(4.2)%	$ 655,510	$ 806,472	$ (150,962)	(18.7)%

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

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

Three Months

Net income decreased for the three month period compared to the prior year primarily due to a $58.0 million unfavourable change in the adjustment to fair value of investment properties, partially offset by the reversal of a $38.6 million transaction related provision that was determined to be no longer required.

Six Months

Net income decreased for the six month period compared to the prior year primarily due to changes in the non-cash adjustments to fair value including: a $135.2 million unfavourable change in the adjustment to fair value of investment properties, a $31.7 million unfavourable change in the adjustment to fair value of the Trust's Exchangeable Units due to the change in the Trust's Unit price, and a $20.1 million decrease in income from equity accounted joint ventures primarily due to a fair value loss recognized in the current year.

The changes described above were partially offset by the reversal of a $38.6 million transaction related provision that was determined to be no longer required.

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)	**2024**	2023	Change $	**2024**	2023	Change $
Rental revenue	**$ 335,388**	$ 330,327	$ 5,061	**$ 673,346**	$ 654,984	$ 18,362
Property operating costs	**(93,195)**	(92,175)	(1,020)	**(191,300)**	(187,445)	(3,855)
Net Operating Income	**$ 242,193**	$ 238,152	$ 4,041	**$ 482,046**	$ 467,539	$ 14,507

Three and Six Months

Rental revenue increased for the three and six month periods compared to the prior year primarily due to higher rental rates on renewals, new leasing, and contractual rent steps mainly in the retail and industrial portfolios. Further contributing to the increase were higher capital recoveries, acquisitions, completed developments, and a provision reversal in the industrial portfolio following the resolution of a tenant dispute. These increases were partially offset by lower lease surrender revenue of $7.2 million and $4.6 million for the three and six month periods, respectively. The current year-to-date lease surrender revenue was related to the right-sizing of two Loblaw grocery stores and a closure at an Alberta property.

Residential Inventory Income

	Three Months			Six Months		
For the periods ended June 30 ($ thousands)	**2024**	2023	Change $	**2024**	2023	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

During the first quarter of 2024, the Trust recognized gross sales and cost of sales related to the sale of the Trust's ownership interest of 36 condominium units of its Mount Pleasant Village residential project in Brampton, ON.

Interest Income

	Three Months			Six Months		
For the periods ended June 30 ($ thousands)	**2024**	2023	Change $	**2024**	2023	Change $
Interest income from mortgages and loans receivable	**$ 5,690**	$ 6,107	$ (417)	**$ 11,443**	$ 11,615	$ (172)
Income earned from financial real estate assets	**3,605**	2,247	1,358	**5,866**	4,588	1,278
Income from financial real estate assets due to changes in value	**2,566**	2,349	217	**2,274**	2,509	(235)
Other interest income	**3,414**	618	2,796	**5,451**	1,584	3,867
Interest Income	**$ 15,275**	$ 11,321	$ 3,954	**$ 25,034**	$ 20,296	$ 4,738

Three and Six Months

Interest income increased for the three and six month periods compared to the prior year primarily due to the additional interest income earned on excess cash and additional income earned from financial real estate assets.

Excess cash held during the second quarter of 2024 primarily resulted from the investment of proceeds from the issuance of the $500 million Series U senior unsecured debentures bearing interest at 5.03%. Proceeds were invested in a GIC earning interest at a higher rate than the debentures at 5.50%. The Trust intends to use the proceeds of the Series U issuance to repay a portion of the $550 million Series K debentures upon maturity in the third quarter of 2024(2).

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 2024	Three Months 2023	Three Months Change $	Six Months 2024	Six Months 2023	Six Months Change $
Fees charged to related party	$ 132	$ 167	$ (35)	$ 195	$ 495	$ (300)
Fees charged to third parties	493	521	(28)	1,131	1,846	(715)
Fee Income	$ 625	$ 688	$ (63)	$ 1,326	$ 2,341	$ (1,015)

Three and Six Months

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

Net Interest Expense and Other Financing Charges

For the periods ended June 30 ($ thousands)	Three Months 2024	Three Months 2023	Three Months Change $	Six Months 2024	Six Months 2023	Six Months Change $
Interest on senior unsecured debentures	$ 57,732	$ 54,816	$ 2,916	$ 113,700	$ 105,857	$ 7,843
Interest on mortgages and construction loans	11,528	10,621	907	21,488	20,306	1,182
Interest on credit facility	1,160	1,956	(796)	2,209	6,584	(4,375)
Interest on right-of-use lease liabilities	12	18	(6)	24	36	(12)
Amortization of debt discounts and premiums	227	5	222	388	33	355
Amortization of debt placement costs	1,119	1,203	(84)	2,257	2,648	(391)
Capitalized interest(i)	(773)	(1,704)	931	(1,317)	(2,743)	1,426
	71,005	66,915	4,090	138,749	132,721	6,028
Distributions on Exchangeable Units(ii)	75,199	74,210	989	149,739	147,761	1,978
Net interest expense and other financing charges	$ 146,204	$ 141,125	$ 5,079	$ 288,488	$ 280,482	$ 8,006

(i) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.14% and 4.11% for the three and six months ended June 30, 2024, 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 prior year primarily due to new debt issuances over the past twelve months bearing interest at higher rates than maturing debt and a decrease in capitalized interest following the completion of several significant developments in the first quarter of 2024 and in the fourth quarter of 2023.

In addition, the interest on senior unsecured debentures increased as a result of the issuance of the $500 million Series U senior unsecured debentures. The Trust intends to use the proceeds of the Series U issuance to repay a portion of the $550 million Series K debentures upon maturity in the third quarter of 2024(2). Prior to the repayment of Series K, the proceeds of the Series U issuance were invested in a GIC earning interest at a higher rate than the debentures.

General and Administrative Expenses

For the periods ended June 30 ($ thousands)	Three Months 2024	Three Months 2023	Three Months Change $	Six Months 2024	Six Months 2023	Six Months Change $
Salaries, benefits and employee costs	$ 18,907	$ 15,693	$ 3,214	$ 36,195	$ 33,143	$ 3,052
Investor relations and other public entity costs	876	1,164	(288)	1,672	1,816	(144)
Professional fees	1,263	973	290	2,411	1,742	669
Information technology costs	2,162	1,628	534	4,028	3,413	615
Services Agreement expense charged by related party(i)	1,247	1,158	89	2,494	2,400	94
Amortization of other assets	314	321	(7)	625	669	(44)
Office related costs	479	511	(32)	911	790	121
Other	913	964	(51)	1,270	1,469	(199)
	26,161	22,412	3,749	49,606	45,442	4,164
Less:						
Capitalized to properties under development	(3,283)	(3,433)	150	(6,611)	(6,335)	(276)
Allocated to recoverable operating expenses	(5,678)	(5,330)	(348)	(11,157)	(10,896)	(261)
General and administrative expenses	$ 17,200	$ 13,649	$ 3,551	$ 31,838	$ 28,211	$ 3,627

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

Three and Six Months

General and administrative expenses increased for the three and six month periods compared to the prior year primarily due to restructuring costs related to outsourcing a portion of the Trust’s operational accounting function, as well as the timing of expenditures related to information technology.

6. LEASING ACTIVITY

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

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

The following table details the changes for in-place occupancy by segment for the three months ended June 30, 2024:

	March 31, 2024									Three Months June 30, 2024		
(in thousands of square feet except where otherwise indicated)	Leasable	Occupied	Occupied %	Expiries	New	Renewals	Subtotal: Absorption	Portfolio changes(iv)	Acquired (Disposed) vacancy	**Leasable**	**Occupied**	**Occupied %**
Retail(i)	44,802	43,756	97.7 %	(390)	41	350	1	(189)	(11)	**44,602**	**43,568**	**97.7 %**
Industrial(ii)	19,541	19,296	98.8 %	(424)	47	391	14	4	(2)	**19,543**	**19,314**	**98.8 %**
Mixed-Use & Residential(iii)	1,134	1,074	94.7 %	(2)	—	2	—	—	—	**1,134**	**1,074**	**94.7 %**
Total	65,477	64,126	97.9 %	(816)	88	743	15	(185)	(13)	**65,279**	**63,956**	**98.0 %**

(i) Includes 674,000 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, 2024 - 662,000 sq. ft.).
(ii) Includes 1,191,000 sq. ft. that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases (March 31, 2024 - 1,191,000 sq. ft.).
(iii) Occupancy represents retail and office portion of mixed-use properties; residential units are excluded.
(iv) Represents changes in occupied square footage arising from acquisitions, dispositions, intensifications, expansions, and transfers from properties under development.

The following table details the changes for in-place occupancy by segment for the six months ended June 30, 2024:

	December 31, 2023									Six Months June 30, 2024		
(in thousands of square feet except where otherwise indicated)	Leasable	Occupied	Occupied %	Expiries	New	Renewals	Subtotal: Absorption	Portfolio changes(iv)	Acquired (Disposed) vacancy	**Leasable**	**Occupied**	**Occupied %**
Retail(i)	44,691	43,667	97.7 %	(789)	72	685	(32)	(67)	(22)	**44,602**	**43,568**	**97.7 %**
Industrial(ii)	19,655	19,458	99.0 %	(719)	136	549	(34)	(110)	(2)	**19,543**	**19,314**	**98.8 %**
Mixed-Use & Residential(iii)	1,134	1,068	94.2 %	(2)	10	2	10	(4)	4	**1,134**	**1,074**	**94.7 %**
Total	65,480	64,193	98.0 %	(1,510)	218	1,236	(56)	(181)	(20)	**65,279**	**63,956**	**98.0 %**

(i) Includes 674,000 sq. ft. that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases December 31, 2023 - 657,000 sq. ft.).
(ii) Includes 1,191,000 sq. ft. that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases (December 31, 2023 - 1,191,000 sq. ft.).
(iii) Occupancy represents retail and office portion of mixed-use properties, residential units are excluded.
(iv) Represents changes in occupied square footage arising from acquisitions, dispositions, intensifications, expansions, and transfers from properties under development.

At June 30, 2024, the Trust had 29 retail sites and 5 industrial sites leased to tenants through ground leases (December 31, 2023 - 30 retail and 5 industrial). Tenants have constructed buildings on sites with gross building area of approximately 1,865,000 sq. ft. at the Trust's share (December 31, 2023 - 1,848,000 sq. ft.). In addition, the Trust has 176 gas bars in its retail segment (December 31, 2023 - 178), which have been excluded from the occupancy tables.

Three Months	Six Months
Overall occupancy increased to 98.0% as at June 30, 2024 from 97.9% as at March 31, 2024. Occupancy remained stable in the retail segment as the impact of tenants not renewing was offset by the new tenants coming into the portfolio. The positive absorption of approximately 14,000 square feet in the industrial segment was primarily due to new leasing in the Alberta portfolio. Net portfolio changes of approximately (189,000) square feet in the retail segment were primarily due to the disposition of two Saskatchewan properties and two Alberta properties, partially offset by the acquisition of one Ontario property and a partner's share of one Alberta property.	Overall period end occupancy for the six months ended June 30, 2024 remained stable at 98.0%, consistent with the occupancy as at December 31, 2023. The negative absorption of approximately 32,000 square feet in the retail segment was primarily due to vacancies in the Ontario and Alberta portfolios. The negative absorption of approximately 34,000 square feet in the industrial segment was primarily due to two known vacancies, one in Alberta and one in Ontario, partially offset by new leasing in the Alberta portfolio. The positive absorption of approximately 10,000 square feet in the mixed-use & residential segment was primarily due to new leasing in one of the Toronto properties. Net portfolio changes of approximately (67,000) square feet in the retail segment were primarily due to the disposition of two Saskatchewan properties and two Alberta properties, partially offset by the acquisition of two Ontario properties and a partner's share of one Alberta property. Net portfolio changes of approximately (110,000) square feet in the industrial segment were primarily due to the disposition of one Ontario property.

Choice Properties' principal tenant, Loblaw, represents 58.2% of its total GLA (December 31, 2023 - 57.7%). Subsequent to the quarter end, Choice and Loblaw renewed 46 of a tranche of 48 leases expiring in 2025, comprising 3.08 million of 3.20 million square feet, at a weighted average spread of 8.4% and a weighted average extension term of 5.0 years. The 46 renewals included one industrial lease.

	As at June 30, 2024				As at December 31, 2023			
(in millions of square feet except where otherwise indicated)	**Portfolio GLA**	**Occupied GLA**	**Occupancy (%)**	**WALT[(i)] (years)**	Portfolio GLA	Occupied GLA	Occupancy (%)	WALT[(i)] (years)
Loblaw banners[(ii)]	**38.0**	**38.0**	**100.0%**	**6.0**	37.8	37.8	100.0%	6.5
Third-party tenants[(iii)]	**27.3**	**26.0**	**95.2%**	**5.4**	27.7	26.4	95.4%	5.4
Total commercial GLA	**65.3**	**64.0**	**98.0%**	**5.8**	65.5	64.2	98.0%	6.0

(i) Weighted average lease term-to-maturity. This excludes the impact of the Loblaw leases renewed subsequent to the quarter end as stated above.
(ii) Included in Loblaw banners GLA is 0.9 million sq. ft. related to ground leases (December 31, 2023 - 0.9 million sq. ft.).
(iii) Included in third-party tenants GLA is 0.9 million sq. ft. related to ground leases (December 31, 2023 - 0.9 million sq. ft.).

The lease maturity profile for Choice Properties' portfolio as at June 30, 2024 was as follows:

(in thousands of square feet except where otherwise indicated)	Third-party GLA	Loblaw GLA	Total GLA	Expiring GLA as a % of total GLA	Expiring annualized base rent ($ 000's)	Average expiring base rent (per square foot)
Month-to-month	360	82	442	0.7 %	$ 6,774	$ 15.40
Remainder of 2024	785	84	869	1.3 %	11,561	13.35
2025[(i)]	3,034	3,150	6,184	9.5 %	79,203	12.83
2026	3,506	2,807	6,313	9.7 %	93,598	14.91
2027	3,081	3,949	7,030	10.8 %	113,435	16.17
2028	3,435	4,941	8,376	12.8 %	134,115	16.02
2029	2,530	7,062	9,592	14.7 %	149,279	15.56
2030 & Thereafter	8,396	14,889	23,285	35.6 %	389,148	16.78
Occupied GLA	25,127	36,964	62,091	95.1 %	977,113	15.74
Ground lease GLA[(ii)]	934	931	1,865	2.9 %	20,648	11.07
Vacant GLA	1,323	—	1,323	2.0 %	—	—
Total	**27,384**	**37,895**	**65,279**	**100.0 %**	**$ 997,761**	**$ 15.60**

(i) Expiring GLA for Loblaw includes the leases renewed subsequent to the quarter end as stated above.
(ii) 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 flow. It is primarily leased to grocery stores, pharmacies, and other necessity-based tenants. Stability is attained through a strategic relationship and long-term leases with Loblaw.

The Trust's ten largest retail tenants for the three months ended June 30, 2024 represented approximately 57.0% of total annualized gross rental revenue and 73.3% 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 (000's square feet)
1.	Loblaws	64.2 %	31,061
2.	Canadian Tire	1.8 %	888
3.	TJX Companies	1.6 %	689
4.	Dollarama	1.5 %	572
5.	Goodlife	0.9 %	362
6.	Liquor Control Board of Ontario (LCBO)	0.7 %	198
7.	TD Canada Trust	0.7 %	131
8.	Staples	0.7 %	316
9.	Walmart	0.6 %	544
10.	Sobeys	0.6 %	244
Total		**73.3 %**	**35,005**

The following table outlines further details of the Trust's retail tenant composition as at June 30, 2024:

Retail Category	% of Retail Annualized Gross Rental Revenue	GLA (000's square feet)
Grocery & Pharmacy	67.9 %	32,857
Essential Services	14.4 %	4,290
Specialty & Value	5.5 %	2,201
Fitness & Other Personal Services	4.8 %	1,651
Full-Service Restaurants	3.0 %	702
Furniture & Home	2.6 %	1,168
Other	1.8 %	699
Total	**100.0 %**	**43,568**

The lease maturity profile for Choice Properties' retail portfolio as at June 30, 2024 was as follows:

(in thousands of square feet except where otherwise indicated)	Third-party GLA	Loblaw GLA	Total GLA	Expiring GLA as a % of total GLA	Expiring annualized base rent ($ 000's)	Average expiring base rent (per square foot)
Month-to-month	270	82	352	0.8 %	$ 5,597	$ 15.98
Remainder of 2024[(i)]	301	84	385	0.9 %	7,521	19.70
2025[(ii)]	1,259	2,960	4,219	9.5 %	64,104	15.24
2026	1,985	2,807	4,792	10.7 %	78,314	16.46
2027	1,812	3,949	5,761	12.9 %	100,379	17.46
2028	1,698	4,141	5,839	13.1 %	104,574	17.93
2029	1,387	6,399	7,786	17.5 %	128,073	16.45
2030 & Thereafter	3,122	10,638	13,760	30.8 %	270,384	19.78
Occupied GLA	11,834	31,060	42,894	96.2 %	758,946	17.69
Ground lease GLA[(iii)]	674	—	674	1.5 %	6,657	9.88
Vacant GLA	1,034	—	1,034	2.3 %	—	—
Total	**13,542**	**31,060**	**44,602**	**100.0 %**	**$ 765,603**	**$ 17.57**

(i) The 385,000 sq. ft. of GLA maturing in 2024 is located in the following markets: 36.0% Greater Toronto Area, 15.1% Ottawa, 10.4% Greater Montreal Area, 3.7% Vancouver, 2.3% Calgary, 1.2% Edmonton, and 31.3% other markets.
(ii) Expiring GLA for Loblaw includes the leases renewed subsequent to the quarter end as stated above.
(iii) Represents the building area on properties where the Trust has leased the underlying sites to tenants through ground leases.

As at June 30, 2024 the average in place base rent for the Trust's retail portfolio, excluding ground leases, was $16.88 per square foot.

Industrial Tenant Profile

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

The Trust's ten largest industrial tenants for the three months ended June 30, 2024 represented approximately 10.9% of total annualized gross rental revenue and 57.0% 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 (000's square feet)
1.	Loblaw	28.6 %	6,093
2.	Amazon	5.0 %	1,020
3.	Canada Cartage	4.6 %	672
4.	Wonderbrands Inc.	3.9 %	1,050
5.	Pet Valu	3.7 %	353
6.	NFI IPD	2.8 %	354
7.	Uline Canada Corporation	2.4 %	635
8.	Canadian Tire	2.0 %	486
9.	Kimberly-Clark	2.0 %	514
10.	Alberta Gaming, Liquor and Cannabis	2.0 %	424
Total		**57.0 %**	**11,601**

The following table outlines further details of the Trust's industrial tenant composition as at June 30, 2024:

Building Type / Tenant Use	% of Industrial Annualized Gross Rental Revenue	GLA (000's square feet)	Occupied GLA (000's square feet)	Occupancy
Distribution	56.0 %	10,778	10,682	99.1 %
Large Bay-Loblaw Distribution	28.6 %	6,093	6,093	100.0 %
Warehouse[i]	15.4 %	2,672	2,539	95.0 %
Total	**100.0 %**	**19,543**	**19,314**	**98.8 %**

(i) Warehouse includes certain Small Bay assets.

The lease maturity profile for Choice Properties' industrial portfolio as at June 30, 2024 was as follows:

(in thousands of square feet except where otherwise indicated)	Third-party GLA	Loblaw GLA	Total GLA	Expiring GLA as a % of total GLA	Expiring annualized base rent ($ 000's)	Average expiring base rent (per square foot)
Month-to-month	61	—	61	0.3 %	$ 573	$ 9.41
Remainder of 2024[(i)]	474	—	474	2.4 %	3,758	7.93
2025[(ii)]	1,761	189	1,950	10.0 %	14,715	7.55
2026	1,445	—	1,445	7.4 %	13,511	9.35
2027	1,206	—	1,206	6.2 %	11,372	9.43
2028	1,726	772	2,498	12.8 %	28,386	11.36
2029	1,100	663	1,763	9.0 %	20,109	11.41
2030 & Thereafter	5,189	3,537	8,726	44.6 %	100,421	11.51
Occupied GLA[(iii)]	12,962	5,161	18,123	92.7 %	192,845	10.64
Ground lease GLA[(iv)]	260	931	1,191	6.1 %	13,991	11.75
Vacant GLA	229	—	229	1.2 %	—	—
Total	**13,451**	**6,092**	**19,543**	**100.0 %**	**$ 206,836**	**$ 10.71**

(i) The 474,000 sq. ft. of GLA maturing in 2024 is located in the following markets: 57.8% Greater Toronto Area, 16.4% Calgary, 12.8% Edmonton, and 13.0% other markets.
(ii) Expiring GLA for Loblaw includes one lease renewed subsequent to the quarter end as stated above.
(iii) Average in-place base rent per square foot for the major markets (excluding ground leases): $13.91 Vancouver, $8.83 Edmonton, $8.24 Calgary, $9.27 Greater Toronto Area, $9.88 Greater Montreal Area, and $8.14 Other markets.
(iv) Represents the building area on properties where the Trust has leased the underlying sites to tenants through ground leases.

As at June 30, 2024 the average in place base rent for the Trust's industrial portfolio, excluding ground leases, was $9.32 per square foot.

7. RESULTS OF OPERATIONS - SEGMENT INFORMATION

7.1 Net Income and Segment NOI Reconciliation

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

The following table reconciles net income on a proportionate share basis[1] to net income as determined in accordance with GAAP for the three months ended June 30, 2024:

($ thousands)	Retail	Industrial	Mixed-Use & Residential	Proportionate Share Basis[1]	Adjustment to GAAP[i]	GAAP Basis
Rental revenue, excluding straight-line rental revenue and lease surrender revenue	$ 275,140	$ 64,747	$ 17,917	$ 357,804	$ (22,206)	$ 335,598
Property operating costs	(79,055)	(15,098)	(7,083)	(101,236)	8,041	(93,195)
Net Operating Income, Cash Basis[1]	**196,085**	**49,649**	**10,834**	256,568	(14,165)	242,403
Straight-line rental revenue	(2,490)	1,409	305	(776)	(658)	(1,434)
Lease surrender revenue	1,224	—	—	1,224	—	1,224
Net Operating Income, Accounting Basis	**194,819**	**51,058**	**11,139**	257,016	(14,823)	242,193
Other Income and Expenses						
Interest income				9,128	6,147	15,275
Investment income				5,315	—	5,315
Fee income				625	—	625
Net interest expense and other financing charges				(151,017)	4,813	(146,204)
General and administrative expenses				(17,200)	—	(17,200)
Share of income from equity accounted joint ventures				—	1,370	1,370
Amortization of intangible assets				(250)	—	(250)
Transaction costs and other related expenses				38,615	—	38,615
Adjustment to fair value of unit-based compensation				1,288	—	1,288
Adjustment to fair value of Exchangeable Units				372,039	—	372,039
Adjustment to fair value of investment properties				25,542	2,493	28,035
Adjustment to fair value of investment in real estate securities				(27,870)	—	(27,870)
Income before Income Taxes				513,231	—	513,231
Income tax expense				—	—	—
Net Income				$ 513,231	$ —	$ 513,231

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

The following table reconciles net income on a proportionate share basis[1] to net income as determined in accordance with GAAP for the six months ended June 30, 2024:

($ thousands)	Retail	Industrial	Mixed-Use & Residential	Proportionate Share Basis[1]	Adjustment to GAAP[(i)]	GAAP Basis
Rental revenue, excluding straight-line rental revenue and lease surrender revenue	$ 552,330	$ 128,267	$ 35,191	**$ 715,788**	$ (45,042)	**$ 670,746**
Property operating costs	(161,388)	(32,082)	(14,117)	**(207,587)**	16,287	**(191,300)**
Net Operating Income, Cash Basis[1]	**390,942**	**96,185**	**21,074**	**508,201**	(28,755)	**479,446**
Straight-line rental revenue	(4,334)	3,736	697	**99**	(1,272)	**(1,173)**
Lease surrender revenue	3,773	—	—	**3,773**	—	**3,773**
Net Operating Income, Accounting Basis	**390,381**	**99,921**	**21,771**	**512,073**	(30,027)	**482,046**
Gross sales				**11,268**	—	**11,268**
Cost of sales				**(9,234)**	—	**(9,234)**
Residential Inventory Income				**2,034**	—	**2,034**
Other Income and Expenses						
Interest income				**16,959**	8,075	**25,034**
Investment income				**10,630**	—	**10,630**
Fee income				**1,326**	—	**1,326**
Net interest expense and other financing charges				**(299,664)**	11,176	**(288,488)**
General and administrative expenses				**(31,838)**	—	**(31,838)**
Share of income from equity accounted joint ventures				**—**	6,088	**6,088**
Amortization of intangible assets				**(500)**	—	**(500)**
Transaction costs and other related expenses				**38,615**	—	**38,615**
Adjustment to fair value of unit-based compensation				**2,069**	—	**2,069**
Adjustment to fair value of Exchangeable Units				**439,323**	—	**439,323**
Adjustment to fair value of investment properties				**21,982**	4,688	**26,670**
Adjustment to fair value of investment in real estate securities				**(57,511)**	—	**(57,511)**
Income before Income Taxes				**655,498**	—	**655,498**
Income tax recovery				**12**	—	**12**
Net Income				**$ 655,510**	$ —	**$ 655,510**

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

7.2 Net Operating Income[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 14.2, "Net Operating Income", of this MD&A for a definition of NOI[1] and a reconciliation to net income determined in accordance with GAAP.

Management also measures performance of operating segments using NOI[1] as calculated on a proportionate share basis[1] and, in particular, Same-Asset NOI, which isolates Management's success at dealing with certain key performance factors. "Same-Asset" refers to those properties that were owned and operated by Choice Properties for the entire 18 months ended June 30, 2024, and where such properties had no changes to income as a result of acquisitions, dispositions, new developments, redevelopments and expansions, intensifications, transfers, or demolitions (collectively, "Transactions"). NOI related to Transactions for the period are presented separately from the Same-Asset financial results.

Choice Properties' NOI[1] is calculated on a proportionate share basis[1] to incorporate the Trust's investment in equity accounted joint ventures as if they were owned directly and financial real estate assets for the three and six months ended June 30, 2024 and June 30, 2023 as summarized below.

Summary - Accounting Basis

	Three Months				Six Months			
For the periods ended June 30 ($ thousands)	**2024**	2023	Change $	% Change	**2024**	2023	Change $	% Change
Rental revenue	**$ 336,858**	$ 323,927	$ 12,931	4.0 %	**$ 674,742**	$ 651,565	$ 23,177	3.6 %
Straight-line rental revenue	**(2,569)**	(766)	(1,803)	235.4 %	**(3,350)**	(1,556)	(1,794)	115.3 %
Property operating costs excluding bad debt expense	**(96,702)**	(92,365)	(4,337)	4.7 %	**(197,333)**	(188,752)	(8,581)	4.5 %
Same-Asset NOI, Cash Basis excluding bad debt expense	**237,587**	230,796	6,791	2.9 %	**474,059**	461,257	12,802	2.8 %
Bad debt expense	**1,573**	(68)	1,641	n/a	**1,526**	317	1,209	n/a
Same-Asset NOI, Accounting Basis	**239,160**	230,728	8,432	3.7 %	**475,585**	461,574	14,011	3.0 %
Transactions NOI including straight-line rental revenue, excluding bad debt expense	**16,526**	12,680	3,846		**32,704**	25,868	6,836	
Bad debt expense	**106**	1	105		**11**	(303)	314	
Transactions NOI, Accounting Basis	**16,632**	12,681	3,951		**32,715**	25,565	7,150	
Lease surrender revenue	**1,224**	8,419	(7,195)		**3,773**	8,430	(4,657)	
Total NOI, Accounting Basis	**$ 257,016**	$ 251,828	$ 5,188		**$ 512,073**	$ 495,569	$ 16,504	

Summary - Cash Basis

For the periods ended June 30 ($ thousands)	Three Months 2024	2023	Change $	% Change	Six Months 2024	2023	Change $	% Change
Rental revenue	$ 336,858	$ 323,927	$ 12,931	4.0 %	$ 674,742	$ 651,565	$ 23,177	3.6 %
Property operating costs excluding bad debt expense	(96,702)	(92,365)	(4,337)	4.7 %	(197,333)	(188,752)	(8,581)	4.5 %
Same-Asset NOI, Cash Basis excluding bad debt expense	240,156	231,562	8,594	3.7 %	477,409	462,813	14,596	3.2 %
Bad debt expense	1,573	(68)	1,641	n/a	1,526	317	1,209	n/a
Same-Asset NOI, Cash Basis	241,729	231,494	10,235	4.4 %	478,935	463,130	15,805	3.4 %
Transactions NOI excluding bad debt expense	14,733	12,035	2,698		29,255	24,755	4,500	
Bad debt expense	106	1	105		11	(303)	314	
Transactions NOI, Cash Basis	14,839	12,036	2,803		29,266	24,452	4,814	
Total NOI, Cash Basis	$ 256,568	$ 243,530	$ 13,038		$ 508,201	$ 487,582	$ 20,619	

Three and Six Months

Same-Asset NOI, cash basis increased 4.4% and 3.4% for the three and six month periods, respectively, primarily due to increased revenue from higher rental rates on renewals, new leasing, contractual rent steps, and higher recoveries in the retail and industrial portfolios, in addition to a provision reversal in the industrial portfolio following the resolution of a tenant dispute. Excluding bad debt expense, Same-Asset NOI, cash basis increased 3.7% and 3.2% for the three and six month periods, respectively.

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 2024	2023	Change $	% Change	Six Months 2024	2023	Change $	% Change
Rental revenue	$ 263,182	$ 254,813	$ 8,369	3.3 %	$ 528,443	$ 512,507	$ 15,936	3.1 %
Property operating costs excluding bad debt expense	(75,591)	(72,528)	(3,063)	4.2 %	(154,599)	(148,594)	(6,005)	4.0 %
Same-Asset NOI, Cash Basis excluding bad debt expense	187,591	182,285	5,306	2.9 %	373,844	363,913	9,931	2.7 %
Bad debt expense	(22)	(190)	168	(88.4)%	186	81	105	129.6 %
Same-Asset NOI, Cash Basis	187,569	182,095	5,474	3.0 %	374,030	363,994	10,036	2.8 %
Transactions NOI excluding bad debt expense	8,408	9,731	(1,323)		16,913	19,186	(2,273)	
Bad debt expense	108	(30)	138		(1)	(304)	303	
Transactions NOI, Cash Basis	8,516	9,701	(1,185)		16,912	18,882	(1,970)	
Total NOI, Cash Basis	$ 196,085	$ 191,796	$ 4,289		$ 390,942	$ 382,876	$ 8,066	

Three and Six Months

Same-Asset NOI, cash basis for the retail segment increased 3.0% and 2.8% for the three and six month periods, respectively, primarily due to increased revenue from higher rental rates on renewals, new leasing, contractual rent steps, and higher capital recoveries.

Transactions NOI for the retail segment decreased for the three 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 2024	2023	Change $	% Change	Six Months 2024	2023	Change $	% Change
Rental revenue	$ 57,634	$ 53,546	$ 4,088	7.6 %	$ 114,050	$ 107,605	$ 6,445	6.0 %
Property operating costs excluding bad debt expense	(15,086)	(13,942)	(1,144)	8.2 %	(30,288)	(28,213)	(2,075)	7.4 %
Same-Asset NOI, Cash Basis excluding bad debt expense	42,548	39,604	2,944	7.4 %	83,762	79,392	4,370	5.5 %
Bad debt expense	1,710	(25)	1,735	n/a	1,554	112	1,442	n/a
Same-Asset NOI, Cash Basis	44,258	39,579	4,679	11.8 %	85,316	79,504	5,812	7.3 %
Transactions NOI excluding bad debt expense	5,391	574	4,817		10,872	1,197	9,675	
Bad debt expense	—	1	(1)		(3)	1	(4)	
Transactions NOI, Cash Basis	5,391	575	4,816		10,869	1,198	9,671	
Total NOI, Cash Basis	$ 49,649	$ 40,154	$ 9,495		$ 96,185	$ 80,702	$ 15,483	

Three and Six Months

Same-Asset NOI, cash basis for the industrial segment increased 11.8% and 7.3% for the three and six month periods, respectively, primarily due to increased revenue from higher rental rates on renewals, new leasing at market rates, contractual rent steps, and higher capital recoveries, in addition to a provision reversal following the resolution of a tenant dispute. Excluding bad debt expense, Same-Asset NOI, cash basis increased 7.4% and 5.5% 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 2024	2023	Change $	% Change	Six Months 2024	2023	Change $	% Change
Rental revenue	$ 16,042	$ 15,568	$ 474	3.0 %	$ 32,249	$ 31,453	$ 796	2.5 %
Property operating costs excluding bad debt expense	(6,025)	(5,895)	(130)	2.2 %	(12,446)	(11,945)	(501)	4.2 %
Same-Asset NOI, Cash Basis excluding bad debt expense	10,017	9,673	344	3.6 %	19,803	19,508	295	1.5 %
Bad debt expense	(115)	147	(262)	(178.2)%	(214)	124	(338)	(272.6)%
Same-Asset NOI, Cash Basis	9,902	9,820	82	0.8 %	19,589	19,632	(43)	(0.2)%
Transactions NOI excluding bad debt expense	934	1,730	(796)		1,470	4,372	(2,902)	
Bad debt expense	(2)	30	(32)		15	—	15	
Transactions NOI, Cash Basis	932	1,760	(828)		1,485	4,372	(2,887)	
Total NOI, Cash Basis	$ 10,834	$ 11,580	$ (746)		$ 21,074	$ 24,004	$ (2,930)	

Three and Six Months

Same-Asset NOI, cash basis for the mixed-use & residential segment remained consistent with the prior year period, increasing 0.8% and decreasing 0.2% for the three and six month periods, respectively. For the three month period, the increase was driven by higher occupancy. For the six month period, the decrease was driven by the impact of favourable final billing adjustments recognized in the prior year period, partially offset by higher occupancy.

Transactions NOI for the mixed-use and residential segment decreased for the three and six month periods primarily due to the foregone income from dispositions of three office properties and one data centre in the prior year, partially offset by the contributions from recently completed residential developments.

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, 2024 and June 30, 2023 are summarized below:

For the periods ended June 30 ($ thousands except where otherwise indicated)	Three Months 2024	Three Months 2023	Three Months Change $	Six Months 2024	Six Months 2023	Six Months Change $
Funds from Operations[1]	**$ 184,714**	$ 183,590	$ 1,124	**$ 371,903**	$ 360,481	$ 11,422
FFO[1] per unit basic	**$ 0.255**	$ 0.254	$ 0.001	**$ 0.514**	$ 0.498	$ 0.016
FFO[1] per unit diluted	**$ 0.255**	$ 0.254	$ 0.001	**$ 0.514**	$ 0.498	$ 0.016
FFO[1] payout ratio - diluted	**74.4 %**	73.9 %	0.5 %	**73.6 %**	74.9 %	(1.3)%
Adjusted Funds from Operations[1]	**$ 176,600**	$ 170,400	$ 6,200	**$ 349,746**	$ 334,779	$ 14,967
AFFO[1] per unit basic	**$ 0.244**	$ 0.235	$ 0.009	**$ 0.483**	$ 0.463	$ 0.020
AFFO[1] per unit diluted	**$ 0.244**	$ 0.235	$ 0.009	**$ 0.483**	$ 0.463	$ 0.020
AFFO[1] payout ratio - diluted	**77.9 %**	79.6 %	(1.7)%	**78.3 %**	80.7 %	(2.4)%
Distribution declared per unit	**$ 0.190**	$ 0.188	$ 0.002	**$ 0.378**	$ 0.374	$ 0.004
Weighted average number of units outstanding - basic[i]	**723,646,497**	723,633,321	13,176	**723,646,497**	723,639,945	6,552
Weighted average number of units outstanding - diluted[i]	**723,659,539**	723,656,668	2,871	**723,664,669**	723,668,276	(3,607)
Number of units outstanding, end of period[i]	**723,646,497**	723,646,497	—	**723,646,497**	723,646,497	—

(i) Includes Trust Units and Exchangeable Units.

Funds from Operations ("FFO")[1]

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

Three and Six Months

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

FFO per unit diluted[1] for the three month period was relatively flat compared to the same prior year period primarily as a result of certain non-recurring items and timing differences, including lower lease surrender revenue of $7.2 million, restructuring costs of $3.3 million related to outsourcing a portion of the Trust's operational accounting function, and a provision reversal of $1.7 million in the industrial portfolio following the resolution of a tenant dispute. Normalized for these non-recurring items and timing differences, FFO per unit diluted[1] for the three month period increased by $0.014 or 5.7% over the same prior year period.

For the six month period, income recognized in relation to the sale of residential inventory further contributed to the increase in FFO[1].

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

Choice Properties calculates AFFO[1] in accordance with the Real Property Association of Canada's *Funds from Operations & Adjusted Funds from Operations for IFRS* issued in January 2022. From time to time the Trust may enter into transactions that materially impact the calculation of AFFO[1] and accordingly the impact of these items are excluded from the calculation for management's review purposes. Refer to Section 14.4, "Adjusted Funds from Operations", for a reconciliation of AFFO[1] to net income determined in accordance with GAAP.

Three and Six Months

AFFO[1] increased for the three month and six month periods primarily due to the increase in FFO[1] as noted above and differences in the timing of maintenance and leasing spend.

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 2024	2023	Change $	Six Months 2024	2023	Change $
Property capital	$ 2,585	$ 5,766	$ (3,181)	$ 7,038	$ 7,522	$ (484)
Direct leasing costs	2,120	1,134	986	3,807	2,941	866
Tenant improvements	1,606	4,157	(2,551)	6,146	11,174	(5,028)
Total property capital and leasing expenditures, proportionate share basis[1]	$ 6,311	$ 11,057	$ (4,746)	$ 16,991	$ 21,637	$ (4,646)

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, 2024, Choice Properties incurred $2,585 and $7,038 of property capital expenditures, respectively, which may be recoverable from tenants under the terms of their leases over the useful life of the improvements (June 30, 2023 - $5,766 and $7,522, 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 2024	First Quarter 2024	Fourth Quarter 2023	Third Quarter 2023	Second Quarter 2023	First Quarter 2023	Fourth Quarter 2022	Third Quarter 2022
Number of income producing properties	702	705	705	706	704	705	704	703
Gross leasable area (in millions of square feet)(i)	65.9	66.1	66.1	65.2	64.5	64.9	64.5	64.7
Occupancy	98.0%	97.9%	98.0%	97.7%	97.4%	97.7%	97.9%	97.7%
Rental revenue (GAAP)	$ 335,388	$ 337,958	$ 329,109	$ 325,077	$ 330,327	$ 324,657	$ 314,382	$ 309,082
Net income (loss)	$ 513,231	$ 142,279	$ (445,684)	$ 435,903	$ 535,668	$ 270,804	$ (579,000)	$ 948,077
Net income (loss) per unit	$ 0.709	$ 0.197	$ (0.616)	$ 0.602	$ 0.740	$ 0.374	$ (0.795)	$ 1.310
Net income (loss) per unit - diluted	$ 0.709	$ 0.197	$ (0.616)	$ 0.602	$ 0.740	$ 0.374	$ (0.795)	$ 1.310
Net operating income, cash basis(1)	$ 256,568	$ 251,633	$ 247,037	$ 244,886	$ 243,530	$ 244,052	$ 238,819	$ 234,540
FFO(1)	$ 184,714	$ 187,189	$ 184,640	$ 181,013	$ 183,590	$ 176,891	$ 174,183	$ 173,119
FFO(1) per unit - diluted	$ 0.255	$ 0.259	$ 0.255	$ 0.250	$ 0.254	$ 0.244	$ 0.241	$ 0.239
AFFO(1)	$ 176,600	$ 173,146	$ 127,095	$ 136,558	$ 170,400	$ 164,379	$ 126,935	$ 130,360
AFFO(1) per unit - diluted	$ 0.244	$ 0.239	$ 0.176	$ 0.189	$ 0.235	$ 0.227	$ 0.175	$ 0.180
Distribution declared per unit	$ 0.190	$ 0.188	$ 0.188	$ 0.188	$ 0.188	$ 0.186	$ 0.185	$ 0.185
Market price per unit - closing	$ 12.84	$ 13.78	$ 13.95	$ 12.68	$ 13.57	$ 14.52	$ 14.76	$ 12.41
Number of units outstanding, period end	723,646,497	723,646,497	723,646,497	723,646,497	723,646,497	723,646,497	723,557,674	723,544,974
Adjusted debt to total assets(1)(ii)(iii)	42.2%	40.3%	40.4%	40.6%	40.5%	41.0%	40.6%	41.0%
Debt service coverage(1)(ii)	3.0x	3.1x	3.0x	3.0x	3.1x	3.1x	3.1x	3.1x

(i) Includes 1.9 million sq. ft. of GLA that represents the building area on properties where the Trust has leased the underlying sites to the tenants through ground leases.

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

(iii) Adjusted debt to total assets(1), normalized for $500 million excess cash from the issuance of Series U debentures held to repay a portion of the $550 million Series K debentures upon maturity in Q3 2024(2) was 40.5% as at June 30, 2024.

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

9. RELATED PARTY TRANSACTIONS

Choice Properties' parent corporation is GWL, which, as at June 30, 2024, held either directly or indirectly, a 61.7% effective interest in the Trust through ownership of 50,661,415 units and all of the Exchangeable Units, which are economically equivalent to and exchangeable to Units. GWL is also the parent company of Loblaw, with ownership of 52.6% of Loblaw's outstanding common shares as at June 30, 2024. Choice Properties' ultimate parent is Wittington Investments, Limited, the controlling shareholder of GWL.

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

Loblaw represents approximately 56.5% of Choice Properties' rental revenue on a proportionate share basis[1] and 58.2% of its commercial GLA as at June 30, 2024 (December 31, 2023 - 57.1% and 57.7%, respectively).

Leases
Subsequent to the quarter end, Choice and Loblaw renewed 46 of a tranche of 48 leases expiring in 2025, comprising 3.08 million of 3.20 million square feet, at a weighted average spread of 8.4% and a weighted average extension term of 5.0 years. The 46 renewals included one industrial lease.

Acquisitions
During the six months ended June 30, 2024, Choice Properties acquired from Loblaw one retail property in Toronto, ON for an aggregate purchase price of $38,300, excluding transaction costs.

Lease Surrender Revenue
During the three and six months ended June 30, 2024, Choice Properties recognized $401 and $2,912 of lease surrender revenue from Loblaw, respectively (June 30, 2023 - $nil and $nil, respectively).

Services Agreement
During the six months ended June 30, 2024, GWL provided Choice Properties with corporate, administrative and other support services for an annualized cost of $4,988 (December 31, 2023 - $4,970).

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

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

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

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

Site Intensification Payments
Choice Properties compensated Loblaw with intensification payments of $1,242 in connection with completed gross leasable area for which tenants took possession during the six months ended June 30, 2024 (June 30, 2023 - $367).

Distributions on Exchangeable Units
GWL, directly or indirectly, holds all of the Exchangeable Units issued by Choice Properties Limited Partnership, a subsidiary of Choice Properties. During the three and six months ended June 30, 2024, distributions declared on the Exchangeable Units totalled $75,199 and $149,739 (June 30, 2023 - $74,210 and $147,761, respectively).

As at June 30, 2024, Choice Properties had distributions on Exchangeable Units payable to GWL of $174,475 (December 31, 2023 - $320,587).

Notes Receivable
Holders of Exchangeable Units may, in lieu of receiving all or a portion of their distributions, choose to be loaned an amount from Choice Properties Limited Partnership, and to have such distributions made on the first business day following the end of the fiscal year in which such distribution would otherwise have been made. The loans do not bear interest and are due and payable in full on the first business day following the end of the fiscal year during which the loan was made. During the six months ended June 30, 2024, GWL elected to receive distributions from Choice Properties Limited Partnership in the form of loans. As such, non-interest bearing short-term notes totalling $149,409 were issued during the six months ended June 30, 2024 to GWL. Non-interest bearing short-term notes totalling $295,851 with respect to the loans received in the 2023 fiscal year were settled against distributions payable by the Trust to GWL in January 2024.

Trust Unit Distributions
During the three and six months ended June 30, 2024, Choice Properties declared cash distributions of $9,626 and $19,167, respectively, on the Units held by GWL (June 30, 2023 - $9,499 and $18,914, respectively). As at June 30, 2024, $3,209 of Trust Unit distributions declared were payable to GWL (December 31, 2023 - $3,166). There were no non-cash distributions settled through the issuance of additional Trust Units during the six months ended June 30, 2024 (June 30, 2023 - $nil).

During the three and six months ended June 30, 2024, Choice Properties declared cash distributions of $3,135 and $6,243, respectively, on the Units held by Wittington (June 30, 2023 - $3,094 and $6,160, respectively). As at June 30, 2024, $1,045 of Trust Unit distributions declared were payable to Wittington (December 31, 2023 - $1,031). There were no non-cash distributions settled through the issuance of additional Trust Units during the six months ended June 30, 2024 (June 30, 2023 - $nil).

10. INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

Changes in Internal Control over Financial Reporting
There were no changes in Choice Properties' internal controls over financial reporting in the second quarter of 2024 that materially affected or are reasonably likely to materially affect the Trust's internal control over financial reporting.

11. ENTERPRISE RISKS AND RISK MANAGEMENT

A detailed full set of risks applicable to the Choice Properties business are included in the Trust's AIF for the year ended December 31, 2023 and MD&A in the 2023 Annual Report, which are hereby incorporated by reference. The 2023 Annual Report and AIF are available online on www.sedarplus.ca. The risks and risk management strategies included in the AIF and Annual Report remain unchanged.

12. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Environmental, Social and Governance ("ESG") practices are fully integrated into the Trust's day-to-day business activities, and are aligned with the Trust's purpose of creating enduring value through places where people thrive. ESG is embedded in the Trust's corporate strategy, which prioritizes maintaining a market-leading portfolio, sustaining operational excellence and delivering on its development pipeline. Some of the ways in which ESG creates enduring value for stakeholders include:

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

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

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

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

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

13. OUTLOOK[2]

We are focused on capital preservation, delivering stable and growing cash flows and net asset value appreciation, all with a long-term focus. Our high-quality portfolio is primarily leased to necessity-based tenants and logistics providers, who are less sensitive to economic volatility and therefore provide stability to our overall portfolio. We continue to experience positive leasing momentum across our portfolio and are well positioned to complete our 2024 lease renewals. We also continue to advance our development program, with a focus on commercial developments in the near term, which provides us with the best opportunity to add high-quality real estate to our portfolio at a reasonable cost and drive net asset value appreciation over time.

We are confident that our business model, stable tenant base, strong balance sheet and disciplined approach to financial management will continue to position us well for future success. In 2024, Choice Properties will continue to focus on its core business of essential retail and industrial, our growing residential platform and our robust development pipeline, and is targeting:

- Stable occupancy across the portfolio, resulting in 2.5%-3.0% year-over-year growth in Same-Asset NOI, cash basis;
- Annual FFO per unit diluted in a range of $1.02 to $1.03, reflecting 2.0%-3.0% year-over-year growth; and
- Strong leverage metrics, targeting Adjusted Debt to EBITDAFV below 7.5x.

14. NON-GAAP FINANCIAL MEASURES

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

Non-GAAP Measure	Description	Reconciliation
Proportionate Share	• Represents financial information adjusted to reflect the Trust's equity accounted joint ventures and financial real estate assets and its share of net income (loss) from equity accounted joint ventures and financial real estate assets on a proportionately consolidated basis at the Trust's ownership percentage of the related investment. • 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 how it is financed 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 how it is financed 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 14.2, "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, 2023, 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 the Transactions and development activities.	Section 7.2, "Net Operating Income Summary"

Funds from Operations ("FFO")	• Calculated in accordance with the Real Property Association of Canada's ("REALpac") *Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO) for IFRS* issued in January 2022. • Management considers FFO to be a useful measure of operating performance as it adjusts for items included in net income (or net loss) that do not arise from operating activities or do not necessarily provide an accurate depiction of the Trust's past or recurring performance, such as adjustments to fair value of Exchangeable Units, investment properties, investment in real estate securities, and unit-based compensation. From time to time, the Trust may enter into transactions that materially impact the calculation and are eliminated from the calculation for management's review purposes. • Management uses and believes that FFO is a useful measure of the Trust's performance that, when compared period over period, reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and realty taxes, acquisition activities and interest costs.	Section 14.3, "Funds from Operations" Section 14.9, "Selected Information for Comparative Purposes"
Adjusted Funds from Operations ("AFFO")	• Calculated in accordance with REALpac's *Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO) for IFRS* issued in January 2022. • Management considers AFFO to be a useful measure of operating performance as it further adjusts FFO for capital expenditures that sustain income producing properties and eliminates the impact of straight-line rent. AFFO is impacted by the seasonality inherent in the timing of executing property capital projects. • In calculating AFFO, FFO is adjusted by excluding straight-line rent, as well as costs incurred relating to internal leasing activities and property capital projects. Working capital changes, viewed as short-term cash requirements or surpluses are deemed financing activities pursuant to the methodology and are not considered when calculating AFFO. • Capital expenditures which are excluded and not deducted in the calculation of AFFO comprise those which generate a new investment stream, such as constructing a new retail pad during property expansion or intensification, development activities or acquisition activities. • Accordingly, AFFO differs from FFO in that AFFO excludes from its definition certain non-cash revenues and expenses recognized under GAAP, such as straight-line rent, but also includes capital and leasing costs incurred during the period which are capitalized for GAAP purposes. From time to time, the Trust may enter into transactions that materially impact the calculation and are eliminated from the calculation for management's review purposes.	Section 14.4, "Adjusted Funds from Operations" Section 14.9, "Selected Information for Comparative Purposes"
Adjusted Cash Flow from Operations ("ACFO")	• Calculated in accordance with REALpac's *Adjusted Cashflow from Operations (ACFO) for IFRS* issued in January 2023. • 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 14.5, "Adjusted Cash Flow from Operations"
FFO, AFFO and ACFO Payout Ratios	• FFO, AFFO and ACFO payout ratios are supplementary measures used by Management to assess the sustainability of the Trust's distribution payments. • The ratios are calculated using cash distributions declared divided by FFO, AFFO or ACFO, as applicable.	Section 7.3, "Other Key Performance Indicators"

Earnings before Interest, Taxes, Depreciation, Amortization and Fair Value (“EBITDAFV”)	• Defined as net income attributable to Unitholders, reversing, where applicable, income taxes, interest expense, amortization expense, depreciation expense, adjustments to fair value and other adjustments as allowed in the Trust Indentures, as supplemented. • Management believes EBITDAFV is useful in assessing the Trust’s ability to service its debt, finance capital expenditures and provide distributions to its Unitholders.	Section 14.8, “Earnings before Interest, Taxes, Depreciation, Amortization and Fair Value”
Cash Retained after Distributions	• Represents the portion of ACFO retained within Choice Properties which can be used to invest in new acquisitions, development properties and capital activity.	Section 14.6, “Distribution Excess / Shortfall Analysis”
Total Adjusted Debt	• Defined as variable rate debt (construction loans, mortgages, and credit facility) and fixed rate debt (senior unsecured debentures, construction loans and mortgages), as measured on a proportionate share basis[1], and does not include the Exchangeable Units which are included as part of unit equity on account of the Exchangeable Units being economically equivalent and receiving equal distributions to the Trust Units. • Total Adjusted Debt is also presented on a net basis to include the impact of other finance charges such as debt placement costs and discounts or premiums, and defeasance or other prepayments of debt.	Section 4.3, “Components of Total Adjusted Debt”
Adjusted Debt to Total Assets	• Determined by dividing Total Adjusted Debt (as defined above) by total assets as presented on a proportionate share basis[1] and can be interpreted as the proportion of the Trust’s assets that are financed by debt. • Management believes this ratio is useful in evaluating the Trust’s flexibility to incur additional financial leverage.	Section 4.4, “Financial Condition” Section 14.9, “Selected Information for Comparative Purposes”
Debt Service Coverage	• Calculated as EBITDAFV divided by interest expense on the Total Adjusted Debt and all regularly scheduled principal payments made with respect to indebtedness during such period (other than any balloon, bullet or similar principal payable at maturity or which repays such indebtedness in full). This ratio is calculated based on the Trust Indentures, as supplemented. • This ratio is useful in determining the ability of Choice Properties to service the interest requirements of its outstanding debt.	Section 4.4, “Financial Condition” Section 14.9, “Selected Information for Comparative Purposes”
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 as net of cash and cash equivalents at the measurement date.	Section 4.4, “Financial Condition”
Interest Coverage	• Calculated as EBITDAFV divided by interest expense on the Total Adjusted Debt incurred by Choice Properties for the period. • This ratio is useful in determining Choice Properties’ ability to service the interest requirements of its outstanding debt.	Section 4.4, “Financial Condition”
Liquidity	• Liquidity is a non-GAAP measure calculated based on the sum of total cash and cash equivalents, and undrawn revolving unsecured operating line of credit.	Section 4, “Liquidity and Capital Resources” Section 4.2, “Liquidity and Capital Structure”

14.1 Investment Properties Reconciliation

To expand the portfolio and participate in development opportunities, Choice Properties owns varying interests in real estate entities which hold investment properties. Under GAAP, many of these interests are recorded as equity accounted joint ventures and, as such, the Trust's portion of the investment properties of these entities is presented on the balance sheet as a summarized value, not as part of the total investment properties. Similarly, Choice Properties owns real estate assets, whereby the acquisition involved a sale-leaseback arrangement with the seller. As a result of the arrangement the Trust did not meet the GAAP definition of control, and as such, these assets are presented on the balance sheet as financial real estate assets and not as part of investment properties. While the reconciliation for Choice Properties' balance sheet on a GAAP basis to a proportionate share basis[1] is detailed in Section 2, "Balance Sheet", the following continuity schedule presents Choice Properties' investment properties inclusive of its proportionate share ownership in equity accounted joint ventures and financial real estate assets for the three months ended June 30, 2024:

	Income Producing Properties			Properties Under Development			Total Investment Properties	
For the three months ended June 30 ($ thousands)	GAAP Basis	Adjustment to Proportionate Share Basis[1](i)	Proportionate Share Basis[1]	GAAP Basis	Adjustment to Proportionate Share Basis[1](i)	Proportionate Share Basis[1]	**GAAP Basis**	**Proportionate Share Basis[1]**
Balance, beginning of period	$ 14,737,000	$ 1,120,000	$ 15,857,000	$ 237,000	$ 612,000	$ 849,000	**$ 14,974,000**	**$ 16,706,000**
Acquisitions of investment properties(ii)	33,091	—	33,091	—	—	—	**33,091**	**33,091**
Capital expenditures								
Development capital(iii)	—	—	—	14,326	16,113	30,439	**14,326**	**30,439**
Building improvements	1,020	2,813	3,833	—	—	—	**1,020**	**3,833**
Capitalized interest(iv)	—	—	—	773	466	1,239	**773**	**1,239**
Operating capital expenditures								
Property capital	2,606	(21)	2,585	—	—	—	**2,606**	**2,585**
Direct leasing costs	2,024	96	2,120	—	—	—	**2,024**	**2,120**
Tenant improvement allowances	1,369	237	1,606	—	—	—	**1,369**	**1,606**
Amortization of straight-line rent	(1,434)	658	(776)	—	—	—	**(1,434)**	**(776)**
Transfers to assets held for sale	(34,250)	—	(34,250)	—	—	—	**(34,250)**	**(34,250)**
Transfer from equity accounted joint ventures	21,125	(21,125)	—	—	—	—	**21,125**	**—**
Transfers from properties under development	6,632	1,675	8,307	(6,632)	(1,675)	(8,307)	**—**	**—**
Dispositions	(15,685)	(64,744)	(80,429)	—	—	—	**(15,685)**	**(80,429)**
Adjustment to fair value of investment properties	30,502	4,411	34,913	(2,467)	(6,904)	(9,371)	**28,035**	**25,542**
Balance, as at June 30, 2024	**$ 14,784,000**	**$ 1,044,000**	**$ 15,828,000**	**$ 243,000**	**$ 620,000**	**$ 863,000**	**$ 15,027,000**	**$ 16,691,000**

(i) Adjustment to Proportionate Share Basis[1] reflects the Trust's investment properties inclusive of its proportionate share ownership in equity accounted joint ventures and financial real estate assets.
(ii) Includes acquisition costs.
(iii) Development capital includes $1,242 of site intensification payments paid to Loblaw for the three months ended June 30, 2024.
(iv) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.14% for the three months ended June 30, 2024.

The following continuity schedule presents Choice Properties' investment properties inclusive of its proportionate share ownership in equity accounted joint ventures and financial real estate assets for the six months ended June 30, 2024:

	Income Producing Properties			Properties Under Development			Total Investment Properties	
For the six months ended June 30, 2024 ($ thousands)	GAAP Basis	Adjustment to Proportionate Share Basis(1)(i)	Proportionate Share Basis(1)	GAAP Basis	Adjustment to Proportionate Share Basis(1)(i)	Proportionate Share Basis(1)	**GAAP Basis**	**Proportionate Share Basis(1)**
Balance, beginning of period	$ 14,635,000	$ 1,122,000	$ 15,757,000	$ 288,000	$ 600,000	$ 888,000	**$ 14,923,000**	**$ 16,645,000**
Acquisitions of investment properties(ii)	71,524	—	71,524	—	—	—	**71,524**	**71,524**
Capital expenditures								
Development capital(iii)	—	—	—	36,679	24,277	60,956	**36,679**	**60,956**
Building improvements	6,527	3,083	9,610	—	—	—	**6,527**	**9,610**
Capitalized interest(iv)	—	—	—	1,317	1,525	2,842	**1,317**	**2,842**
Operating capital expenditures								
Property capital	7,000	38	7,038	—	—	—	**7,000**	**7,038**
Direct leasing costs	3,196	611	3,807	—	—	—	**3,196**	**3,807**
Tenant improvement allowances	4,395	1,751	6,146	—	—	—	**4,395**	**6,146**
Amortization of straight-line rent	(1,173)	1,272	99	—	—	—	**(1,173)**	**99**
Transfers to assets held for sale	(34,250)	—	(34,250)	—	—	—	**(34,250)**	**(34,250)**
Transfer from equity accounted joint ventures	21,125	(21,125)	—	—	—	—	**21,125**	**—**
Transfers from properties under development	81,217	1,675	82,892	(81,217)	(1,675)	(82,892)	**—**	**—**
Dispositions	(39,010)	(64,744)	(103,754)	—	—	—	**(39,010)**	**(103,754)**
Adjustment to fair value of investment properties	28,449	(561)	27,888	(1,779)	(4,127)	(5,906)	**26,670**	**21,982**
Balance, as at June 30, 2024	**$ 14,784,000**	**$ 1,044,000**	**$ 15,828,000**	**$ 243,000**	**$ 620,000**	**$ 863,000**	**$ 15,027,000**	**$ 16,691,000**

(i) Adjustment to Proportionate Share(1) reflects the Trust's investment properties inclusive of its proportionate share ownership in equity accounted joint ventures and financial real estate assets.
(ii) Includes acquisition costs.
(iii) Development capital includes $1,242 of site intensification payments paid to Loblaw for the six months ended June 30, 2024.
(iv) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.11% or the six months ended June 30, 2024.

14.2 Net Operating Income

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

For the periods ended June 30 ($ thousands)	Three Months 2024	Three Months 2023	Three Months Change $	Six Months 2024	Six Months 2023	Six Months Change $
Net Income	**$ 513,231**	$ 535,668	$ (22,437)	**$ 655,510**	$ 806,472	$ (150,962)
Residential inventory income	**—**	—	—	**(2,034)**	—	(2,034)
Interest income	**(15,275)**	(11,321)	(3,954)	**(25,034)**	(20,296)	(4,738)
Investment income	**(5,315)**	(5,315)	—	**(10,630)**	(10,630)	—
Fee income	**(625)**	(688)	63	**(1,326)**	(2,341)	1,015
Net interest expense and other financing charges	**146,204**	141,125	5,079	**288,488**	280,482	8,006
General and administrative expenses	**17,200**	13,649	3,551	**31,838**	28,211	3,627
Share of income from equity accounted joint ventures	**(1,370)**	(3,353)	1,983	**(6,088)**	(26,177)	20,089
Amortization of intangible assets	**250**	250	—	**500**	500	—
Transaction costs and other related expenses	**(38,615)**	9	(38,624)	**(38,615)**	34	(38,649)
Adjustment to fair value of unit-based compensation	**(1,288)**	(998)	(290)	**(2,069)**	(1,730)	(339)
Adjustment to fair value of Exchangeable Units	**(372,039)**	(375,997)	3,958	**(439,323)**	(470,986)	31,663
Adjustment to fair value of investment properties	**(28,035)**	(86,053)	58,018	**(26,670)**	(161,820)	135,150
Adjustment to fair value of investment in real estate securities	**27,870**	31,176	(3,306)	**57,511**	45,819	11,692
Income tax (recovery) expense	**—**	—	—	**(12)**	1	(13)
Net Operating Income, Accounting Basis - GAAP	**242,193**	238,152	4,041	**482,046**	467,539	14,507
Straight-line rental revenue	**1,434**	898	536	**1,173**	1,877	(704)
Lease surrender revenue	**(1,224)**	(8,207)	6,983	**(3,773)**	(8,218)	4,445
Net Operating Income, Cash Basis - GAAP	**242,403**	230,843	11,560	**479,446**	461,198	18,248
Adjustments for equity accounted joint ventures and financial real estate assets	**14,165**	12,687	1,478	**28,755**	26,384	2,371
Net Operating Income, Cash Basis - Proportionate Share[(1)]	**$ 256,568**	$ 243,530	$ 13,038	**$ 508,201**	$ 487,582	$ 20,619

14.3 Funds from Operations

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

For the periods ended June 30 ($ thousands except where otherwise indicated)	Three Months 2024	Three Months 2023	Three Months Change $	Six Months 2024	Six Months 2023	Six Months Change $
Net Income	**$ 513,231**	$ 535,668	$ (22,437)	**$ 655,510**	$ 806,472	$ (150,962)
Add (deduct) impact of the following:						
Amortization of intangible assets	**250**	250	—	**500**	500	—
Transaction costs and other related expenses	**(38,615)**	9	(38,624)	**(38,615)**	34	(38,649)
Adjustment to fair value of unit-based compensation	**(1,288)**	(998)	(290)	**(2,069)**	(1,730)	(339)
Adjustment to fair value of Exchangeable Units	**(372,039)**	(375,997)	3,958	**(439,323)**	(470,986)	31,663
Adjustment to fair value of investment properties	**(28,035)**	(86,053)	58,018	**(26,670)**	(161,820)	135,150
Adjustment to fair value of investment properties to proportionate share(1)	**2,493**	132	2,361	**4,688**	(15,932)	20,620
Adjustment to fair value of investment in real estate securities	**27,870**	31,176	(3,306)	**57,511**	45,819	11,692
Interest otherwise capitalized for development in equity accounted joint ventures	**3,069**	2,939	130	**5,577**	5,854	(277)
Exchangeable Units distributions	**75,199**	74,210	989	**149,739**	147,761	1,978
Internal expenses for leasing	**2,579**	2,254	325	**5,067**	4,508	559
Income tax (recovery) expense	**—**	—	—	**(12)**	1	(13)
Funds from Operations	**$ 184,714**	$ 183,590	$ 1,124	**$ 371,903**	$ 360,481	$ 11,422
FFO per unit - diluted	**$ 0.255**	$ 0.254	$ 0.001	**$ 0.514**	$ 0.498	$ 0.016
FFO payout ratio - diluted(i)	**74.4 %**	73.9 %	0.5 %	**73.6 %**	74.9 %	(1.3)%
Distribution declared per unit	**0.190**	0.188	0.002	**0.378**	0.374	0.004
Weighted average number of units outstanding - diluted(ii)	**723,659,539**	723,656,668	2,871	**723,664,669**	723,668,276	(3,607)

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

FFO as calculated on a proportionate share basis(1):

For the periods ended June 30 ($ thousands except where otherwise indicated)	Three Months 2024	Three Months 2023	Three Months Change $	Six Months 2024	Six Months 2023	Six Months Change $
Net Operating Income, Cash Basis	**$ 256,568**	$ 243,530	$ 13,038	**$ 508,201**	$ 487,582	$ 20,619
Straight-line rental revenue	**(776)**	(121)	(655)	**99**	(443)	542
Lease surrender revenue	**1,224**	8,419	(7,195)	**3,773**	8,430	(4,657)
Net Operating Income, Accounting Basis	**$ 257,016**	$ 251,828	$ 5,188	**$ 512,073**	$ 495,569	$ 16,504
Residential inventory income	**—**	—	—	**2,034**	—	2,034
Interest income	**9,128**	6,437	2,691	**16,959**	12,698	4,261
Investment income	**5,315**	5,315	—	**10,630**	10,630	—
Fee income	**625**	688	(63)	**1,326**	2,341	(1,015)
Net interest expense and other financing charges	**(151,017)**	(146,432)	(4,585)	**(299,664)**	(290,669)	(8,995)
Distributions on Exchangeable Units(i)	**75,199**	74,210	989	**149,739**	147,761	1,978
Interest otherwise capitalized for development in equity accounted joint ventures	**3,069**	2,939	130	**5,577**	5,854	(277)
General and administrative expenses	**(17,200)**	(13,649)	(3,551)	**(31,838)**	(28,211)	(3,627)
Internal expenses for leasing	**2,579**	2,254	325	**5,067**	4,508	559
Funds from Operations	**$ 184,714**	$ 183,590	$ 1,124	**$ 371,903**	$ 360,481	$ 11,422
FFO per unit - diluted	**$ 0.255**	$ 0.254	$ 0.001	**$ 0.514**	$ 0.498	$ 0.016
FFO payout ratio - diluted(ii)	**74.4 %**	73.9 %	0.5 %	**73.6 %**	74.9 %	(1.3)%
Distribution declared per unit	**$ 0.190**	$ 0.188	$ 0.002	**$ 0.378**	$ 0.374	$ 0.004
Weighted average number of units outstanding - diluted(iii)	**723,659,539**	723,656,668	2,871	**723,664,669**	723,668,276	(3,607)

(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.

14.4 Adjusted Funds from Operations

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

For the periods ended June 30 ($ thousands except where otherwise indicated)	Three Months 2024	Three Months 2023	Three Months Change $	Six Months 2024	Six Months 2023	Six Months Change $
Funds from Operations	**$ 184,714**	$ 183,590	$ 1,124	**$ 371,903**	$ 360,481	$ 11,422
Add (deduct) impact of the following:						
Internal expenses for leasing	**(2,579)**	(2,254)	(325)	**(5,067)**	(4,508)	(559)
Straight-line rental revenue	**1,434**	898	536	**1,173**	1,877	(704)
Straight-line rental revenue adjustment to proportionate share(1)	**(658)**	(777)	119	**(1,272)**	(1,434)	162
Property capital	**(2,606)**	(5,764)	3,158	**(7,000)**	(7,512)	512
Direct leasing costs	**(2,024)**	(793)	(1,231)	**(3,196)**	(2,584)	(612)
Tenant improvements	**(1,369)**	(3,686)	2,317	**(4,395)**	(10,129)	5,734
Operating capital expenditures adjustment to proportionate share(1)	**(312)**	(814)	502	**(2,400)**	(1,412)	(988)
Adjusted Funds from Operations	**$ 176,600**	$ 170,400	$ 6,200	**$ 349,746**	$ 334,779	$ 14,967
AFFO per unit - diluted	**$ 0.244**	$ 0.235	$ 0.009	**$ 0.483**	$ 0.463	$ 0.020
AFFO payout ratio - diluted(i)	**77.9 %**	79.6 %	(1.7)%	**78.3 %**	80.7 %	(2.4)%
Distribution declared per unit	**$ 0.190**	$ 0.188	$ 0.002	**$ 0.378**	$ 0.374	$ 0.004
Weighted average number of units outstanding - diluted(ii)	**723,659,539**	723,656,668	2,871	**723,664,669**	723,668,276	(3,607)

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

14.5 Adjusted Cash Flow from Operations

The following table reconciles cash flows from operating activities, as determined in accordance with GAAP, to ACFO, for the periods ended as indicated. Refer to Section 4.7, "Adjusted Cash Flow from Operations" and Section 14, "Non-GAAP Financial Measures" for further details about this non-GAAP measure.

For the periods ended June 30 ($ thousands except where otherwise indicated)	Three Months 2024	2023	Change $	Six Months 2024	2023	Change $
Cash Flows from Operating Activities	**$ 136,282**	$ 152,032	$ (15,750)	**$ 277,874**	$ 285,059	$ (7,185)
Add (deduct) impact of the following:						
Net interest expense and other financing charges in excess of interest paid(i)	**(90,190)**	(85,602)	(4,588)	**(148,586)**	(152,829)	4,243
Distributions on Exchangeable Units included in net interest expense and other financing charges	**75,199**	74,210	989	**149,739**	147,761	1,978
Interest and other income in excess of interest received(i)	**3,553**	4,023	(470)	**4,860**	6,118	(1,258)
Interest otherwise capitalized for development in equity accounted joint ventures	**3,069**	2,939	130	**5,577**	5,854	(277)
Portion of internal expenses for leasing relating to development activity	**1,290**	1,127	163	**2,534**	2,254	280
Adjustment for property capital expenditures on a proportionate share basis(1)	**(2,585)**	(5,766)	3,181	**(7,038)**	(7,522)	484
Adjustment for leasing expenditures on a proportionate share basis(1)	**(333)**	(812)	479	**(2,362)**	(1,402)	(960)
Transaction costs and other related expenses	**(38,615)**	9	(38,624)	**(38,615)**	34	(38,649)
Adjustment for proportionate share of operating income from equity accounted joint ventures(ii)	**3,863**	3,485	378	**10,776**	10,245	531
Adjustment for distributions from equity accounted joint ventures	**(9,247)**	(2,712)	(6,535)	**(17,856)**	(8,933)	(8,923)
Adjustment for additions to residential inventory	**—**	4,129	(4,129)	**2,544**	6,228	(3,684)
Adjustment for changes in non-cash working capital items not indicative of sustainable operating cash flows(iii)	**112,289**	(8,858)	121,147	**129,033**	12,392	116,641
Adjusted Cash Flow from Operations	**$ 194,575**	$ 138,204	$ 56,371	**$ 368,480**	$ 305,259	$ 63,221
Cash distributions declared	**137,492**	135,684	1,808	**273,779**	270,162	3,617
Cash Retained after Distributions	**$ 57,083**	$ 2,520	$ 54,563	**$ 94,701**	$ 35,097	$ 59,604
ACFO Payout Ratio(iv)	**70.7 %**	98.2 %	(27.5)%	**74.3 %**	88.5 %	(14.2)%

(i) The timing of the recognition of interest expense and income differs from the cash payment and collection. The ACFO calculations for the periods ended June 30, 2024 and June 30, 2023 were adjusted for this factor to make the periods more comparable(2).
(ii) Excludes adjustment to fair value of investment properties for equity accounted joint ventures.
(iii) ACFO is adjusted each quarter for fluctuations in non-cash working capital due to the timing of 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 2024	2023	Change $	Six Months 2024	2023	Change $
Net change in non-cash working capital(i)	**$ (97,939)**	$ (26,741)	$ (71,198)	**$ (114,719)**	$ (46,117)	$ (68,602)
Adjustment for changes in non-cash working capital items not indicative of sustainable operating cash flows	**112,289**	(8,858)	121,147	**129,033**	12,392	116,641
Net non-cash working capital increase included in ACFO	**$ 14,350**	$ (35,599)	$ 49,949	**$ 14,314**	$ (33,725)	$ 48,039

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

14.6 Distribution Excess / Shortfall Analysis

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

For the periods ended June 30 ($ thousands)	Three Months 2024	Three Months 2023	Three Months Change $	Six Months 2024	Six Months 2023	Six Months Change $
Cash flows from operating activities	**$ 136,282**	$ 152,032	$ (15,750)	**$ 277,874**	$ 285,059	$ (7,185)
Less: Cash distributions declared	**(137,492)**	(135,684)	(1,808)	**(273,779)**	(270,162)	(3,617)
Excess (shortfall) of cash flows provided by operating activities over cash distributions declared	**$ (1,210)**	$ 16,348	$ (17,558)	**$ 4,095**	$ 14,897	$ (10,802)

For the periods ended June 30 ($ thousands)	Three Months 2024	Three Months 2023	Three Months Change $	Six Months 2024	Six Months 2023	Six Months Change $
Net Income	**$ 513,231**	$ 535,668	$ (22,437)	**$ 655,510**	$ 806,472	$ (150,962)
Add: Distributions on Exchangeable Units included in net interest expense and other financing charges	**75,199**	74,210	989	**149,739**	147,761	1,978
Net income attributable to Unitholders excluding distributions on Exchangeable Units	**588,430**	609,878	(21,448)	**805,249**	954,233	(148,984)
Less: Cash distributions declared	**(137,492)**	(135,684)	(1,808)	**(273,779)**	(270,162)	(3,617)
Excess of net income attributable to Unitholders, less distributions on Exchangeable Units, over cash distributions declared	**$ 450,938**	$ 474,194	$ (23,256)	**$ 531,470**	$ 684,071	$ (152,601)

For the periods ended June 30 ($ thousands)	Three Months 2024	Three Months 2023	Three Months Change $	Six Months 2024	Six Months 2023	Six Months Change $
Adjusted Cash Flow from Operations[(1)]	**$ 194,575**	$ 138,204	$ 56,371	**$ 368,480**	$ 305,259	$ 63,221
Less: Cash distributions declared	**(137,492)**	(135,684)	(1,808)	**(273,779)**	(270,162)	(3,617)
Excess of ACFO after distributions	**$ 57,083**	$ 2,520	$ 54,563	**$ 94,701**	$ 35,097	$ 59,604

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

14.7 Net Interest Expense and Other Financing Charges Reconciliation

The following tables reconcile net interest expense and other financing charges as determined in accordance with GAAP to net interest expense and other financing charges on a proportionate share basis[(1)] for the three and six months ended June 30, 2024 and 2023:

For the three months ended June 30 ($ thousands)	2024 GAAP Basis	2024 Adjustment to Proportionate Share Basis[(1)]	2024 Proportionate Share Basis[(1)]	2023 GAAP Basis	2023 Adjustment to Proportionate Share Basis[(1)]	2023 Proportionate Share Basis[(1)]
Interest on senior unsecured debentures	$ 57,732	$ —	$ 57,732	$ 54,816	$ —	$ 54,816
Interest on mortgages and construction loans	11,528	5,126	16,654	10,621	4,022	14,643
Interest on credit facility	1,160	—	1,160	1,956	—	1,956
Subtotal (for use in Debt Service Coverage[(1)] calculation)	70,420	5,126	75,546	67,393	4,022	71,415
Distributions on Exchangeable Units[(i)]	75,199	—	75,199	74,210	—	74,210
Subtotal (for use in EBITDAFV[(1)] calculation)	145,619	5,126	150,745	141,603	4,022	145,625
Interest on right-of-use lease liabilities	12	—	12	18	—	18
Amortization of debt discounts and premiums	227	(5)	222	5	70	75
Amortization of debt placement costs	1,119	158	1,277	1,203	34	1,237
Capitalized interest	(773)	(466)	(1,239)	(1,704)	1,181	(523)
Net interest expense and other financing charges	$ 146,204	$ 4,813	$ 151,017	$ 141,125	$ 5,307	$ 146,432

(i) Represents interest on indebtedness due to GWL.

For the six months ended June 30 ($ thousands)	2024 GAAP Basis	2024 Adjustment to Proportionate Share Basis[(1)]	2024 Proportionate Share Basis[(1)]	2023 GAAP Basis	2023 Adjustment to Proportionate Share Basis[(1)]	2023 Proportionate Share Basis[(1)]
Interest on senior unsecured debentures	$ 113,700	$ —	$ 113,700	$ 105,857	$ —	$ 105,857
Interest on mortgages and construction loans	21,488	12,340	33,828	20,306	9,569	29,875
Interest on credit facility	2,209	—	2,209	6,584	—	6,584
Subtotal (for use in Debt Service Coverage[(1)] calculation)	137,397	12,340	149,737	132,747	9,569	142,316
Distributions on Exchangeable Units[(i)]	149,739	—	149,739	147,761	—	147,761
Subtotal (for use in EBITDAFV[(1)] calculation)	287,136	12,340	299,476	280,508	9,569	290,077
Interest on right-of-use lease liabilities	24	—	24	36	—	36
Amortization of debt discounts and premiums	388	49	437	33	141	174
Amortization of debt placement costs	2,257	312	2,569	2,648	67	2,715
Capitalized interest	(1,317)	(1,525)	(2,842)	(2,743)	410	(2,333)
Net interest expense and other financing charges	$ 288,488	$ 11,176	$ 299,664	$ 280,482	$ 10,187	$ 290,669

(i) Represents interest on indebtedness due to GWL.

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

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

For the periods ended June 30 ($ thousands)	Three Months 2024	Three Months 2023	Three Months Change $	Six Months 2024	Six Months 2023	Six Months Change $
Net Income	**$ 513,231**	$ 535,668	$ (22,437)	**$ 655,510**	$ 806,472	$ (150,962)
Add (deduct) impact of the following:						
Transaction costs and other related expenses	**(38,615)**	9	(38,624)	**(38,615)**	34	(38,649)
Adjustment to fair value of unit-based compensation	**(1,288)**	(998)	(290)	**(2,069)**	(1,730)	(339)
Adjustment to fair value of Exchangeable Units	**(372,039)**	(375,997)	3,958	**(439,323)**	(470,986)	31,663
Adjustment to fair value of investment properties	**(28,035)**	(86,053)	58,018	**(26,670)**	(161,820)	135,150
Adjustment to fair value of investment properties to proportionate share(1)	**2,493**	132	2,361	**4,688**	(15,932)	20,620
Adjustment to fair value of investment in real estate securities	**27,870**	31,176	(3,306)	**57,511**	45,819	11,692
Interest expense(i)	**150,745**	145,625	5,120	**299,476**	290,077	9,399
Amortization of other assets	**314**	321	(7)	**625**	669	(44)
Amortization of intangible assets	**250**	250	—	**500**	500	—
Income tax (recovery) expense	**—**	—	—	**(12)**	1	(13)
Earnings Before Interest, Taxes, Depreciation, Amortization and Fair Value (EBITDAFV)	**$ 254,926**	$ 250,133	$ 4,793	**$ 511,621**	$ 493,104	$ 18,517

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

14.9 Selected Information For Comparative Purposes

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

($ thousands except where otherwise indicated)	Second Quarter 2024	First Quarter 2024	Fourth Quarter 2023	Third Quarter 2023	Second Quarter 2023	First Quarter 2023	Fourth Quarter 2022	Third Quarter 2022	Second Quarter 2022
Net income (loss)	$ 513,231	$ 142,279	$ (445,684)	$ 435,903	$ 535,668	$ 270,804	$ (579,000)	$ 948,077	$ (11,810)
Amortization of intangible assets	250	250	250	250	250	250	250	250	250
Transaction costs and other related expenses	(38,615)	—	—	—	9	25	82	13	(223)
Adjustment to fair value of unit-based compensation	(1,288)	(781)	1,435	(643)	(998)	(732)	2,665	(476)	(2,064)
Adjustment to fair value of Exchangeable Units	(372,039)	(67,284)	502,649	(352,250)	(375,997)	(94,989)	858,857	(577,848)	(569,933)
Adjustment to fair value of investment properties	(28,035)	1,365	74,445	(26,775)	(86,053)	(75,767)	(193,370)	(141,277)	523,775
Adjustment to fair value of investment properties to proportionate share(1)	2,493	2,195	(1,164)	346	132	(16,064)	(13,877)	(202,968)	(1,456)
Adjustment to fair value of investment in real estate securities	27,870	29,641	(26,570)	44,757	31,176	14,643	20,784	68,847	158,715
Interest otherwise capitalized for development in equity accounted joint ventures	3,069	2,508	2,670	2,933	2,939	2,915	2,790	3,071	2,488
Exchangeable Units distributions	75,199	74,540	74,210	74,210	74,210	73,551	73,221	73,221	73,221
Internal expenses for leasing	2,579	2,488	2,399	2,282	2,254	2,254	1,900	2,213	2,323
Income tax (recovery) expense	—	(12)	—	—	—	1	(119)	(4)	4
Funds from Operations	$ 184,714	$ 187,189	$ 184,640	$ 181,013	$ 183,590	$ 176,891	$ 174,183	$ 173,119	$ 175,290
FFO per unit - diluted	$ 0.255	$ 0.259	$ 0.255	$ 0.250	$ 0.254	$ 0.244	$ 0.241	$ 0.239	$ 0.242
FFO payout ratio - diluted(i)	74.4%	72.8%	73.5%	75.0%	73.9%	76.0%	76.8%	77.3%	76.4%
Distribution declared per unit	$ 0.190	$ 0.188	$ 0.188	$ 0.188	$ 0.188	$ 0.186	$ 0.185	$ 0.185	$ 0.185
Weighted average number of units outstanding - diluted(ii)	723,659,539	723,666,036	723,662,727	723,664,818	723,656,668	723,665,160	723,586,201	723,577,162	723,593,236

(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 2024	First Quarter 2024	Fourth Quarter 2023	Third Quarter 2023	Second Quarter 2023	First Quarter 2023	Fourth Quarter 2022	Third Quarter 2022	Second Quarter 2022
Funds from operations	**$ 184,714**	$ 187,189	$ 184,640	$ 181,013	$ 183,590	$ 176,891	$ 174,183	$ 173,119	$ 175,290
Internal expenses for leasing	**(2,579)**	(2,488)	(2,399)	(2,282)	(2,254)	(2,254)	(1,900)	(2,213)	(2,323)
Straight-line rental revenue	**1,434**	(261)	(446)	839	898	979	(838)	(995)	(210)
Straight-line rental revenue adjustment to proportionate share[1]	**(658)**	(614)	(626)	(925)	(777)	(657)	(658)	(475)	(541)
Property capital	**(2,606)**	(4,394)	(46,491)	(31,513)	(5,764)	(1,748)	(35,456)	(30,119)	(2,998)
Direct leasing costs	**(2,024)**	(1,172)	(1,357)	(1,681)	(793)	(1,791)	(2,258)	(3,326)	(1,358)
Tenant improvements	**(1,369)**	(3,026)	(4,381)	(8,323)	(3,686)	(6,443)	(5,188)	(4,757)	(3,320)
Operating capital expenditures adjustment to proportionate share[1]	**(312)**	(2,088)	(1,845)	(570)	(814)	(598)	(950)	(874)	(832)
Adjusted Funds from Operations	**$ 176,600**	$ 173,146	$ 127,095	$ 136,558	$ 170,400	$ 164,379	$ 126,935	$ 130,360	$ 163,708
AFFO per unit - diluted	**$ 0.244**	$ 0.239	$ 0.176	$ 0.189	$ 0.235	$ 0.227	$ 0.175	$ 0.180	$ 0.226
Cash distributions declared	**137,492**	136,287	135,683	135,684	135,684	134,478	133,858	133,856	133,857
AFFO payout ratio - diluted[i]	**77.9%**	78.7%	106.8%	99.4%	79.6%	81.8%	105.5%	102.7%	81.8%
Weighted average number of units outstanding - diluted[ii]	**723,659,539**	723,666,036	723,662,727	723,664,818	723,656,668	723,665,160	723,586,201	723,577,162	723,593,236

(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[1] and Debt Service Coverage ratio[1] for the periods indicated. Refer to section 4.4 "Financial Condition" and Section 14, "Non-GAAP Financial Measures" for further details about this non-GAAP measure.

	Second Quarter 2024	First Quarter 2024	Fourth Quarter 2023	Third Quarter 2023	Second Quarter 2023	First Quarter 2023	Fourth Quarter 2022	Third Quarter 2022	Second Quarter 2022
Total Assets - Proportionate Basis	**$ 18,243,332**	$17,467,013	$17,889,244	$17,800,387	$17,624,482	$17,483,341	$17,349,387	$16,941,805	$16,676,996
Debt Service Coverage Ratio - Denominator	**$ 82,312**	$ 82,312	$ 84,686	$ 84,449	$ 79,923	$ 79,121	$ 78,148	$ 76,253	$ 70,330

Financial Results
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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, 2024**		As at December 31, 2023
Assets					
Investment properties	5	**$**	**15,027,000**	$	14,923,000
Equity accounted joint ventures	6		**828,364**		883,712
Financial real estate assets	7		**197,765**		195,457
Residential development inventory			**1,991**		8,681
Mortgages, loans and notes receivable	8		**525,070**		656,001
Investment in real estate securities			**180,797**		238,308
Intangible assets			**13,464**		13,964
Accounts receivable and other assets	9		**219,298**		137,180
Assets held for sale	5		**34,250**		—
Cash and cash equivalents	19(c)		**619,586**		252,424
Total Assets		**$**	**17,647,585**	$	17,308,727
Liabilities and Equity					
Long term debt	10	**$**	**7,149,653**	$	6,695,923
Exchangeable Units	12		**5,081,899**		5,521,222
Trade payables and other liabilities	13		**517,210**		723,080
Total Liabilities			**12,748,762**		12,940,225
Equity					
Unitholders' equity	12		**4,898,823**		4,368,502
Total Equity			**4,898,823**		4,368,502
Total Liabilities and Equity		**$**	**17,647,585**	$	17,308,727

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

Approved on behalf of the Board of Trustees

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

[signed]
Diane Kazarian
Chair, Audit Committee

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

(in thousands of Canadian dollars)	Note	Three Months June 30, 2024	Three Months June 30, 2023	Six Months June 30, 2024	Six Months June 30, 2023
Net Rental Income					
Rental revenue	15	**$ 335,388**	$ 330,327	**$ 673,346**	$ 654,984
Property operating costs	16	**(93,195)**	(92,175)	**(191,300)**	(187,445)
		242,193	238,152	**482,046**	467,539
Residential Inventory Income					
Gross sales		**—**	—	**11,268**	—
Cost of sales		**—**	—	**(9,234)**	—
		—	—	**2,034**	—
Other Income and Expenses					
Interest income		**15,275**	11,321	**25,034**	20,296
Investment income		**5,315**	5,315	**10,630**	10,630
Fee income		**625**	688	**1,326**	2,341
Net interest expense and other financing charges	17	**(146,204)**	(141,125)	**(288,488)**	(280,482)
General and administrative expenses		**(17,200)**	(13,649)	**(31,838)**	(28,211)
Share of income from equity accounted joint ventures		**1,370**	3,353	**6,088**	26,177
Amortization of intangible assets		**(250)**	(250)	**(500)**	(500)
Transaction costs and other related expenses	13	**38,615**	(9)	**38,615**	(34)
Adjustment to fair value of unit-based compensation	14	**1,288**	998	**2,069**	1,730
Adjustment to fair value of Exchangeable Units	12	**372,039**	375,997	**439,323**	470,986
Adjustment to fair value of investment properties	5	**28,035**	86,053	**26,670**	161,820
Adjustment to fair value of investment in real estate securities		**(27,870)**	(31,176)	**(57,511)**	(45,819)
Income before Income Taxes		**513,231**	535,668	**655,498**	806,473
Income tax recovery (expense)		**—**	—	**12**	(1)
Net Income		**$ 513,231**	$ 535,668	**$ 655,510**	$ 806,472

	Note	Three Months June 30, 2024	Three Months June 30, 2023	Six Months June 30, 2024	Six Months June 30, 2023
Net Income		**$ 513,231**	$ 535,668	**$ 655,510**	$ 806,472
Other Comprehensive Income (Loss)					
Unrealized gain (loss) on designated hedging instruments	18	**(2,039)**	7,707	**1,385**	817
Other Comprehensive Income (Loss)		**(2,039)**	7,707	**1,385**	817
Comprehensive Income		**$ 511,192**	$ 543,375	**$ 656,895**	$ 807,289

See accompanying notes to the condensed consolidated financial statements

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

		Attributable to Choice Properties' Unitholders				
(in thousands of Canadian dollars)	Note	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	12	1,452	—	—	—	1,452
Units repurchased for unit-based compensation arrangements	12	(3,986)	—	—	—	(3,986)
Equity, June 30, 2024		**$ 3,658,451**	**$ 3,031,196**	**$ 7,936**	**$ (1,798,760)**	**$ 4,898,823**

	Attributable to Choice Properties' Unitholders				
(in thousands of Canadian dollars)	Trust Units	Cumulative net income	Accumulated other comprehensive income	Cumulative distributions to Unitholders	Total Unitholders' equity
Equity, December 31, 2022	$ 3,661,605	$ 1,578,995	$ 12,925	$ (1,429,372)	$ 3,824,153
Net Income	—	806,472	—	—	806,472
Other comprehensive income	—	—	817	—	817
Distributions	—	—	—	(122,401)	(122,401)
Units issued under unit-based compensation arrangements	1,362	—	—	—	1,362
Reclassification of vested Unit-Settled Restricted Units liability to equity	1,399	—	—	—	1,399
Units repurchased for unit-based compensation arrangements	(3,348)	—	—	—	(3,348)
Equity, June 30, 2023	$ 3,661,018	$ 2,385,467	$ 13,742	$ (1,551,773)	$ 4,508,454

See accompanying notes to the condensed consolidated financial statements

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

		Three Months		Six Months	
(in thousands of Canadian dollars)	Note	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
Operating Activities					
Net income		**$ 513,231**	$ 535,668	**$ 655,510**	$ 806,472
Net interest expense and other financing charges	17	**146,204**	141,125	**288,488**	280,482
Interest paid		**(56,014)**	(55,523)	**(139,902)**	(127,653)
Interest income		**(15,275)**	(11,321)	**(25,034)**	(20,296)
Interest received		**11,722**	7,298	**20,174**	14,178
Share of income from equity accounted joint ventures		**(1,370)**	(3,353)	**(6,088)**	(26,177)
Distributions from equity accounted joint ventures		**9,247**	2,712	**17,856**	8,933
Additions to residential inventory		**—**	(4,129)	**(2,544)**	(6,228)
Direct leasing costs and tenant improvement allowances	5	**(3,393)**	(4,479)	**(7,591)**	(12,713)
Cash paid on vesting of restricted and performance units		**—**	(141)	**(2,575)**	(2,671)
Items not affecting cash and other items	19(a)	**(370,131)**	(429,084)	**(405,701)**	(583,151)
Net change in non-cash working capital	19(b)	**(97,939)**	(26,741)	**(114,719)**	(46,117)
Cash Flows from Operating Activities		**136,282**	152,032	**277,874**	285,059
Investing Activities					
Acquisitions of investment properties	4	**(20,938)**	(1,915)	**(59,371)**	(55,537)
Acquisitions of financial real estate assets	7	**—**	—	**—**	(86,452)
Additions to investment properties	5	**(20,656)**	(54,458)	**(62,199)**	(95,358)
Additions to financial real estate assets	7	**(31)**	1,999	**(34)**	2,810
Contributions to equity accounted joint ventures		**(23,140)**	(13,215)	**(24,594)**	(24,722)
Distribution of disposition proceeds from equity accounted joint ventures		**48,479**	—	**48,479**	—
Return of capital distribution from equity accounted joint ventures		**28,500**	—	**28,500**	—
Mortgages, loans and notes receivable advances		**(107,262)**	(99,181)	**(182,394)**	(173,277)
Mortgages, loans and notes receivable repayments		**10,120**	33,350	**31,130**	63,236
Proceeds from dispositions	4	**5,589**	47,179	**28,914**	74,792
Cash Flows Used in Investing Activities		**(79,339)**	(86,241)	**(191,569)**	(294,508)
Financing Activities					
Proceeds from issuance of debentures, net	10	**497,400**	—	**497,400**	547,053
Repayments of debentures	10	**—**	—	**(200,000)**	(375,000)
Net advances (repayments) of mortgages payable	10	**173,629**	(28,385)	**117,314**	105,680
Net advances (repayments) on construction loans	10	**(20,545)**	9,575	**(6,104)**	(3,532)
Net repayments of credit facility	11	**(35,000)**	(6,325)	**—**	(181,325)
Cash received on exercise of options		**—**	—	**—**	1,156
Repurchase of units for unit-based compensation arrangement	12	**(250)**	—	**(3,986)**	(3,348)
Distributions paid on Trust Units		**(62,293)**	(61,474)	**(123,767)**	(122,123)
Cash Flows from (Used in) Financing Activities		**552,941**	(86,609)	**280,857**	(31,439)
Change in cash and cash equivalents		**609,884**	(20,818)	**367,162**	(40,888)
Cash and cash equivalents, beginning of period		**9,702**	44,666	**252,424**	64,736
Cash and Cash Equivalents, end of Period	19(c)	**$ 619,586**	$ 23,848	**$ 619,586**	$ 23,848

Supplemental disclosure of non-cash operating activities (Note 19)
See accompanying notes to the condensed consolidated financial statements

Notes to the Unaudited Interim Period Condensed Consolidated Financial Statements

Note 1. Nature and Description of the Trust

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

Choice Properties commenced operations on July 5, 2013, when it issued Units and debt for cash pursuant to an initial public offering (the "IPO") and completed the acquisition of 425 properties from Loblaw Companies Limited and its subsidiaries ("Loblaw"). Pursuant to a reorganization transaction on November 1, 2018, Loblaw spun out its 61.6% effective interest in Choice Properties to George Weston Limited ("GWL"). As at June 30, 2024, GWL held either directly or indirectly, a 61.7% effective interest in Choice Properties. Choice Properties' ultimate parent is Wittington Investments, Limited ("Wittington").

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

Note 2. Material Accounting Policy Information

The material accounting policies and critical accounting estimates and judgments as disclosed in the 2023 audited annual consolidated financial statements for Choice Properties have been applied consistently in the preparation of these condensed consolidated financial statements. The condensed consolidated financial statements are presented in Canadian dollars.

Statement of Compliance
The condensed consolidated financial statements of Choice Properties are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "GAAP") and International Accounting Standard ("IAS") 34, "Interim Financial Reporting". These condensed consolidated financial statements should be read in conjunction with the Trust's audited consolidated financial statements and accompanying notes for the year ended December 31, 2023.

These condensed consolidated financial statements were authorized for issuance by the Board of Trustees ("Board") for Choice Properties on July 18, 2024.

Note 3. Future Accounting Standards

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

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

Note 4. Investment Property and Other Transactions

The following table summarizes the investment properties acquired in the six months ended June 30, 2024:

($ thousands except where otherwise indicated)						Consideration	
Property / Location	**Date of Acquisition**	**Segment**	**Ownership Interest Acquired**	**Purchase Price**	**Purchase Price incl. Related Costs**	**Debt Assumed from Seller**	**Cash**
Investment properties							
396 St. Clair Ave. W., Toronto, ON	Mar 19	Retail	100%	$ 38,300	$ 38,433	$ —	$ 38,433
Acquisitions from related parties (Note 22)				**38,300**	**38,433**	**—**	**38,433**
755 Mount Pleasant Rd., Toronto, ON	June 20	Retail	100%	11,500	11,966	—	11,966
Cornerstone Shopping Centre, Fort Saskatchewan, AB (Note 6)	June 21	Retail	50%	21,125	21,125	12,153	8,972
Acquisitions from third-parties				**32,625**	**33,091**	**12,153**	**20,938**
Total acquisitions of investment properties				**70,925**	**71,524**	**12,153**	**59,371**
Total acquisitions				**$ 70,925**	**$ 71,524**	**$ 12,153**	**$ 59,371**

The following table summarizes the investment properties sold in the six months ended June 30, 2024:

($ thousands except where otherwise indicated)					Consideration		
Property / Location	**Date of Disposition**	**Segment**	**Ownership Interest Disposed**	**Sale Price excl. Selling Costs**	**Debt Assumed by Purchaser**	**Mortgage Receivable Advanced**	**Cash**
Investment properties							
Crossroads Shopping Centre, Edmonton, AB	Feb 14	Retail	50%	$ 6,700	$ —	$ —	$ 6,700
379 Orenda Rd., Brampton, ON	Mar 14	Industrial	100%	16,625	—	—	16,625
Cornerstone Shopping Centre, Olds, AB	May 13	Retail	50%	15,685	7,586	2,510	5,589
Total dispositions of investment properties				**39,010**	**7,586**	**2,510**	**28,914**
Total dispositions				**$ 39,010**	**$ 7,586**	**$ 2,510**	**$ 28,914**

Note 5. Investment Properties

($ thousands)	Note	Income producing properties	Properties under development	Six months ended June 30, 2024	Year ended December 31, 2023
Balance, beginning of period		**$ 14,635,000**	**$ 288,000**	**$ 14,923,000**	$ 14,444,000
Acquisitions - including transaction costs of $599 (2023 - $5,282)	4	**71,524**	**—**	**71,524**	165,421
Capital expenditures					
Development capital[i]		**—**	**36,679**	**36,679**	122,264
Building improvements		**6,527**	**—**	**6,527**	20,141
Capitalized interest[ii]	17	**—**	**1,317**	**1,317**	5,402
Property capital		**7,000**	**—**	**7,000**	85,516
Direct leasing costs		**3,196**	**—**	**3,196**	5,622
Tenant improvement allowances		**4,395**	**—**	**4,395**	22,833
Amortization of straight-line rent		**(1,173)**	**—**	**(1,173)**	(2,270)
Transfers to assets held for sale		**(34,250)**	**—**	**(34,250)**	(92,754)
Transfer from equity accounted joint ventures		**21,125**	**—**	**21,125**	192,810
Transfers from properties under development		**81,217**	**(81,217)**	**—**	—
Reclassification of lease receivable		**—**	**—**	**—**	24,988
Dispositions	4	**(39,010)**	**—**	**(39,010)**	(187,263)
Adjustment to fair value of investment properties[iii]		**28,449**	**(1,779)**	**26,670**	116,290
Balance, end of period		**$ 14,784,000**	**$ 243,000**	**$ 15,027,000**	$ 14,923,000

(i) Development capital included $1,242 of site intensification payments paid to Loblaw (December 31, 2023 - $14,377) (Note 22).
(ii) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.11% (December 31, 2023 - 4.05%).
(iii) The unrealized fair value gain to investment properties owned during the six months ended June 30, 2024 was $6,210 (December 31, 2023 - unrealized fair value gain of $91,742).

Included in certain investment properties acquired from Loblaw is excess land with development potential. Choice Properties will compensate Loblaw, over time, with intensification payments determined by a site intensification payment grid as outlined in the Strategic Alliance Agreement (Note 22) should Choice Properties pursue activity resulting in the intensification of such excess land. The fair value of this excess land has been recorded in the condensed consolidated financial statements.

During the second quarter Choice Properties entered into an agreement with the Province of Ontario to facilitate the construction of a transit station at its Carlaw Avenue property. The Trust maintains control of the property.

As at June 30, 2024, the Trust has classified one retail property with a fair value of $34,250 (December 31, 2023 - $nil) as assets held for sale.

Valuation Methodology and Process

Please refer to the Trust's 2023 audited annual consolidated financial statements for the description of its valuation methodology and process.

Significant Valuation Assumptions

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

	As at June 30, 2024		As at December 31, 2023	
Total Income Producing Properties	**Range**	**Weighted average**	Range	Weighted average
Discount rate	**5.00% - 10.50%**	**7.16%**	5.50% - 10.50%	7.10%
Terminal capitalization rate	**4.50% - 9.95%**	**6.38%**	4.75% - 9.95%	6.31%
Retail				
Discount rate	**5.50% - 10.50%**	**7.34%**	5.50% - 10.50%	7.36%
Terminal capitalization rate	**4.75% - 9.95%**	**6.58%**	4.75% - 9.95%	6.58%
Industrial				
Discount rate	**5.75% - 8.50%**	**6.73%**	5.75% - 8.75%	6.41%
Terminal capitalization rate	**5.00% - 7.75%**	**5.87%**	5.00% - 8.00%	5.59%
Mixed-Use & Residential				
Discount rate	**5.00% - 7.50%**	**6.54%**	5.50% - 7.50%	6.79%
Terminal capitalization rate	**4.50% - 6.75%**	**5.88%**	5.00% - 6.75%	6.10%

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

Independent Appraisals

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

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

	Six months ended June 30, 2024		Year ended December 31, 2023	
($ thousands except where otherwise indicated)	**Number of income producing properties**	**Fair value**	Number of income producing properties	Fair value
	38	**$ 1,942,000**	79	$ 3,057,000

Fair Value Sensitivity

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

($ thousands)	Terminal capitalization rate			Discount rate		
Rate sensitivity	**Weighted average terminal capitalization rate**	**Fair value**	**Change in fair value**	**Weighted average discount rate**	**Fair value**	**Change in fair value**
(0.75)%	5.63 %	$ 15,899,000	$ 1,115,000	6.41 %	$ 15,620,000	$ 836,000
(0.50)%	5.88 %	15,496,000	712,000	6.66 %	15,335,000	551,000
(0.25)%	6.13 %	15,126,000	342,000	6.91 %	15,056,000	272,000
— %	6.38 %	14,784,000	—	7.16 %	14,784,000	—
0.25 %	6.63 %	14,469,000	(315,000)	7.41 %	14,519,000	(265,000)
0.50 %	6.88 %	14,176,000	(608,000)	7.66 %	14,260,000	(524,000)
0.75 %	7.13 %	13,904,000	(880,000)	7.91 %	14,006,000	(778,000)

Note 6. Equity Accounted Joint Ventures

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

	As at June 30, 2024		As at December 31, 2023	
	Number of joint ventures	**Ownership interest**	Number of joint ventures	Ownership interest
Retail	**11**	**50% - 75%**	15	25% - 75%
Industrial	**1**	**75%**	—	— %
Mixed-Use & Residential	**4**	**50%**	3	50%
Land held for development	**1**	**85%**	3	50% - 85%
Total equity accounted joint ventures	**17**		21	
Choice Properties' investment in equity accounted joint ventures		**$ 828,364**		$ 883,712

On May 13, 2024 and June 19, 2024, the Trust disposed of its interest in three retail joint ventures. The proceeds of the sales were distributed to the Trust.

On June 21, 2024, the Trust acquired its partner's interest in the Cornerstone Shopping Centre in Fort Saskatchewan, Alberta (Note 4) and obtained control of the property. At acquisition, the Trust's net investment in the joint venture was $9,292, comprised of the property value of $21,125, its mortgage of $12,153, and positive net working capital of $320. Upon obtaining control of the property, the Trust consolidated its share of the assets and liabilities and de-recognized the equity accounted joint venture.

Note 7. Financial Real Estate Assets

($ thousands)	**Six months ended June 30, 2024**	Year ended December 31, 2023
Balance, beginning of period	**$ 195,457**	$ 109,509
Acquisitions	**—**	86,452
Additions	**34**	(2,401)
Income from financial real estate assets due to changes in value	**2,274**	1,897
Balance, end of period	**$ 197,765**	$ 195,457

As at June 30, 2024, 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 6.23%, respectively (December 31, 2023 - 6.85% and 6.27%, respectively).

Note 8. Mortgages, Loans and Notes Receivable

($ thousands)	Note	**As at June 30, 2024**	As at December 31, 2023
Mortgages receivable classified as amortized cost[(i)]		**$ 237,836**	$ 199,197
Mortgages receivable classified as fair value through profit and loss ("FVTPL")	18	**137,825**	160,953
Notes receivable from GWL classified as amortized cost[(i)]	22	**149,409**	295,851
Mortgages, loans and notes receivable		**$ 525,070**	$ 656,001
Classified as:			
Expected to be recovered in more than twelve months		**$ 46,970**	$ 84,277
Expected to be recovered in less than twelve months		**478,100**	571,724
		$ 525,070	$ 656,001

(i) The fair value of the mortgages, loans and notes receivable classified as amortized cost was $390,900 (December 31, 2023 - $500,700) (Note 18).

Mortgages and Loans Receivable

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

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

	June 30, 2024		December 31, 2023	
	Weighted average term to maturity (years)	**Weighted average interest rate**	Weighted average term to maturity (years)	Weighted average interest rate
Mortgages receivable	**0.7**	**8.48%**	0.8	8.14%
Total	**0.7**	**8.48%**	0.8	8.14%

Notes Receivable from GWL

Non-interest bearing short-term notes totalling $149,409 were issued during the six months ended June 30, 2024 to GWL. Non-interest bearing short-term notes totalling $295,851 with respect to the loans received in the 2023 fiscal year were settled against distributions payable by the Trust to GWL in January 2024 (Note 22).

Schedules of Maturity and Cash Flow Activities

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

($ thousands)	**Remainder of 2024**	**2025**	**2026**	**2027**	**2028**	**Total**
Principal repayments						
Mortgages receivable	$ 259,503	$ 66,982	$ 28,511	$ —	$ 18,305	**$ 373,301**
Notes receivable from GWL	—	149,409	—	—	—	**149,409**
Total principal repayments	**259,503**	**216,391**	**28,511**	**—**	**18,305**	**522,710**
Interest accrued	2,360	—	—	—	—	**2,360**
Total repayments	**$ 261,863**	**$ 216,391**	**$ 28,511**	**$ —**	**$ 18,305**	**$ 525,070**

During the three month ended June 30, 2024, the Trust advanced three vendor take-back mortgages with a total face value of $11,645 and a total fair value of $11,070. The mortgages bear interest at a weighted average rate of 6.81% and are secured by the disposed properties.

On June 21, 2024, the Trust advanced a $20,000 loan to a development partner. The loan bears interest at a rate of 7.00%.

Note 9. Accounts Receivable and Other Assets

($ thousands)	Note		As at June 30, 2024		As at December 31, 2023
Rent receivables(i) - net of expected credit loss of $10,984 (2023 - $13,954)		**$**	**7,405**	$	1,760
Accrued recovery income			**31,998**		22,198
Other receivables			**58,381**		49,671
Cost-to-complete receivable	22		**3,991**		4,440
Due from related parties(ii)	22		**6,378**		3,138
Restricted cash			**17,384**		4,419
Prepaid property taxes			**50,529**		8,045
Prepaid insurance			**4,945**		412
Other assets			**21,115**		21,097
Right-of-use assets - net of accumulated amortization of $2,772 (2023 - $2,465)			**1,106**		1,413
Deferred tax asset			**2,805**		2,792
Deferred acquisition costs and deposits on land			**5,236**		9,923
Designated hedging derivatives	18		**8,025**		7,872
Accounts receivable and other assets		**$**	**219,298**	$	137,180

Classified as:				
Expected to be recovered in more than twelve months	**$**	**23,038**	$	23,519
Expected to be recovered in less than twelve months		**196,260**		113,661
	$	**219,298**	$	137,180

(i) Includes net rent receivable of $688 from Loblaw and $132 from Wittington (December 31, 2023 - $1,080 and $129, respectively) (Note 22).
(ii) Other receivables due from related parties include $6,293 from Loblaw and $85 from GWL (December 31, 2023 - $2,626 and $512, respectively) (Note 22).

Rent receivables

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

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

Restricted cash

Restricted cash primarily relates to funds held in short-term investments as at June 30, 2024. These funds classified as restricted cash relate to a mortgage that was assumed by the Trust during the second quarter of 2024 in connection with a disposition transaction, which will be re-collateralized to a different property.

Note 10. Long Term Debt

($ thousands)		As at June 30, 2024		As at December 31, 2023
Senior unsecured debentures	$	**5,931,729**	$	5,632,522
Mortgages payable		**1,133,969**		973,342
Construction loans		**83,955**		90,059
Long term debt	$	**7,149,653**	$	6,695,923
Classified as:				
Expected to be settled in more than twelve months	$	**6,137,659**	$	5,731,427
Expected to be settled in less than twelve months		**1,011,994**		964,496
	$	**7,149,653**	$	6,695,923

Senior Unsecured Debentures

($ thousands)

Series	Issuance / Assumption Date	Maturity Date	Interest Rate		As at June 30, 2024		As at December 31, 2023
D	Feb 8, 2014	Feb 8, 2024	4.29%	$	**—**	$	200,000
F	Nov 24, 2015	Nov 24, 2025	4.06%		**200,000**		200,000
H	Mar 7, 2016	Mar 7, 2046	5.27%		**100,000**		100,000
J	Jan 12, 2018	Jan 10, 2025	3.55%		**350,000**		350,000
K	Mar 8, 2018	Sept 9, 2024	3.56%		**550,000**		550,000
L	Mar 8, 2018	Mar 8, 2028	4.18%		**750,000**		750,000
M	Jun 11, 2019	Jun 11, 2029	3.53%		**750,000**		750,000
N	Mar 3, 2020	Mar 4, 2030	2.98%		**400,000**		400,000
O	Mar 3, 2020	Mar 4, 2050	3.83%		**100,000**		100,000
P	May 22, 2020	May 21, 2027	2.85%		**500,000**		500,000
Q	Nov 30, 2021	Nov 30, 2026	2.46%		**350,000**		350,000
R	Jun 24, 2022	Jun 24, 2032	6.00%		**500,000**		500,000
S	Mar 1, 2023	Mar 1, 2033	5.40%		**550,000**		550,000
T	Aug 1, 2023	Feb 28, 2034	5.70%		**350,000**		350,000
U	May 23, 2024	Feb 28, 2031	5.03%		**500,000**		—
Total principal outstanding					**5,950,000**		5,650,000
Debt placement costs - net of accumulated amortization of $23,696 (2023 - $21,889)					**(18,271)**		(17,478)
Senior unsecured debentures				$	**5,931,729**	$	5,632,522

As at June 30, 2024, the senior unsecured debentures had a weighted average interest rate of 4.14% and a weighted average term to maturity of 5.4 years (December 31, 2023 - 4.07% and 5.5 years, respectively).

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

On May 23, 2024, the Trust completed an issuance, on a private placement basis, of $500 million aggregate principal amount of Series U senior unsecured debentures bearing interest at a rate of 5.03% per annum and maturing on February 28, 2031.

Mortgages Payable

($ thousands)	As at June 30, 2024	As at December 31, 2023
Mortgages principal	**$ 1,137,250**	$ 976,661
Net debt discounts and premiums - net of accumulated amortization of $6,496 (2023 - $6,108)	**(782)**	(1,170)
Debt placement costs - net of accumulated amortization of $832 (2023 - $714)	**(2,499)**	(2,149)
Mortgages payable	**$ 1,133,969**	$ 973,342

As at June 30, 2024, the mortgages had a weighted average interest rate of 4.13% and a weighted average term to maturity of 6.7 years (December 31, 2023 - 4.03% and 6.1 years, respectively).

Construction Loans

As at June 30, 2024, $83,955 was outstanding on the construction loans (December 31, 2023 - $90,059), with a weighted average interest rate of 3.48% and a weighted average term to maturity of 4.9 years (December 31, 2023 - 4.61% and 3.5 years, respectively). Of the outstanding construction loans, $26,283 was financed at variable rates, while $57,672 was financed at a fixed rate.

For the purpose of financing the development of certain industrial and mixed-use & residential properties, various investments in equity accounted joint ventures and co-ownerships have variable and fixed rate non-revolving construction facilities, in which certain subsidiaries of the Trust guarantee its own share. These construction loans, which mature throughout 2024 to 2031, have a maximum capacity to be drawn at the Trust's ownership interest of $342,778, of which $251,739, relates to equity accounted joint ventures, as at June 30, 2024 (December 31, 2023 - $447,987 and $328,261, respectively).

Schedules of Repayments and Cash Flow Activities

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

($ thousands)	Remainder of 2024	2025	2026	2027	2028	Thereafter	Total
Senior unsecured debentures	$ 550,000	$ 550,000	$ 350,000	$ 500,000	$ 750,000	$ 3,250,000	**$ 5,950,000**
Mortgages payable	81,058	127,964	133,362	92,306	46,902	655,658	**1,137,250**
Construction loans	26,283	—	—	—	—	57,672	**83,955**
Total	**$ 657,341**	**$ 677,964**	**$ 483,362**	**$ 592,306**	**$ 796,902**	**$ 3,963,330**	**$ 7,171,205**

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

($ thousands)	Senior unsecured debentures	Mortgages payable	Construction loans	June 30, 2024 Long term debt	December 31, 2023 Long term debt
Balance, beginning of period	$ 5,632,522	$ 973,342	$ 90,059	**$ 6,695,923**	$ 6,294,101
Issuances and advances(i)	500,000	186,075	19,747	**705,822**	1,106,157
Repayments	(200,000)	(68,293)	(25,851)	**(294,144)**	(685,292)
Debt placement costs	(2,600)	(468)	—	**(3,068)**	(5,734)
Total cash flow activities	297,400	117,314	(6,104)	**408,610**	415,131
Assumed by purchaser	—	(7,586)	—	**(7,586)**	(62,490)
Assumed from seller	—	12,153	—	**12,153**	13,346
Transfer from equity accounted joint ventures(ii)	—	38,240	—	**38,240**	31,866
Amortization of debt discounts and premiums	—	388	—	**388**	158
Amortization of debt placement costs	1,807	118	—	**1,925**	3,811
Total non-cash activities	1,807	43,313	—	**45,120**	(13,309)
Balance, end of period	**$ 5,931,729**	**$ 1,133,969**	**$ 83,955**	**$ 7,149,653**	$ 6,695,923

(i) Mortgages payable issuances and advances include $33,075 of mortgages assumed from the Trust's partner, previously secured by the partner's interest in the properties disposed by the Trust and its partner in the current quarter. These mortgages have been secured by other properties held by the Trust.
(ii) Transfer from equity accounted joint ventures includes the Trust's share of mortgages payable previously secured by the disposed properties mentioned above and the Trust's share of mortgage payable related to an acquisition which was transferred to investment properties.

Note 11. Credit Facility

Choice Properties has a $1,500,000 senior unsecured committed revolving credit facility provided by a syndicate of lenders. During the three months ended June 30, 2024, the Trust extended the maturity date for the credit facility from September 1, 2028 to June 13, 2029.

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 the U.S. dollar draws, the Trust enters into cross currency swaps to exchange its U.S. dollar borrowings into Canadian dollar borrowings. The Trust applies hedge accounting to the cross currency swaps.

As at June 30, 2024, $nil was drawn in U.S. dollar-denominated borrowings (December 31, 2023 - $nil) and $nil was drawn in Canadian dollar borrowings (December 31, 2023 - $nil). The unamortized balance for debt placement costs as at June 30, 2024 of $2,603 (December 31, 2023 - $2,232) was included in other assets (Note 9).

The credit facility contains certain financial covenants. As at June 30, 2024, the Trust was in compliance with all its financial covenants for the credit facility.

Note 12. Unitholders' Equity

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

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

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

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

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

Units Outstanding

	Note	**As at June 30, 2024**		As at December 31, 2023	
($ thousands except where otherwise indicated)		**Units**	**Amount**	Units	Amount
Units, beginning of period		**327,859,972**	**$ 3,660,985**	327,771,149	$ 3,661,605
Units issued under unit-based compensation arrangements	14	**301,892**	**—**	329,716	1,362
Reclassification of vested Unit-Settled Restricted Units liability to equity		**—**	**1,452**	—	1,497
Units repurchased for unit-based compensation arrangements	14	**(301,892)**	**(3,986)**	(240,893)	(3,479)
Units, end of period		**327,859,972**	**$ 3,658,451**	327,859,972	$ 3,660,985
Exchangeable Units, beginning of period		**395,786,525**	**$ 5,521,222**	395,786,525	$ 5,841,809
Adjustment to fair value of Exchangeable Units		**—**	**(439,323)**	—	(320,587)
Exchangeable Units, end of period		**395,786,525**	**$ 5,081,899**	395,786,525	$ 5,521,222
Total Units and Exchangeable Units, end of period		**723,646,497**		723,646,497	

Normal Course Issuer Bid ("NCIB")
Choice Properties, may, from time to time, purchase Units in accordance with the rules prescribed under applicable stock exchange or regulatory policies. On November 17, 2023, Choice Properties received approval from the TSX to purchase up to 27,563,002 Units during the twelve-month period from November 21, 2023 to November 20, 2024, by way of a NCIB over the facilities of the TSX or through alternative trading systems. Choice Properties intends to file a Notice of Intention to make a NCIB with the TSX upon the expiry of its current NCIB.

Units Issued under Unit-Based Compensation Arrangements
Units were issued as part of settlements under the Unit Option Plan and grants under the Unit-Settled Restricted Unit Plan, as applicable (Note 14).

Units Repurchased for Unit-Based Compensation Arrangements
The Trust acquired Units under its NCIB during the six months ended June 30, 2024 and the year ended December 31, 2023, which were then granted to certain employees in connection with the Unit-Settled Restricted Unit Plan, and are subject to vesting conditions and disposition restrictions.

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

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

In the six months ended June 30, 2024, Choice Properties declared cash distributions of $0.378 per unit or $273,779 in aggregate (June 30, 2023 - $0.374, or $270,162, respectively), including distributions to holders of Exchangeable Units, which are reported as interest expense. Distributions declared to Unitholders of record at the close of business on the last business day of a month are paid on or about the 15th day of the following month.

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

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

Base Shelf Prospectus
On June 16, 2023, Choice Properties filed a Short Form Base Shelf Prospectus allowing for the issuance of Units and debt securities over a 25-month period.

Note 13. Trade Payables and Other Liabilities

($ thousands)	Note	As at June 30, 2024	As at December 31, 2023
Trade accounts payable		$ 19,497	$ 43,514
Accrued liabilities and provisions[i]		122,953	97,542
Accrued acquisition transaction costs and other related expenses		113	39,318
Accrued capital expenditures[ii]		47,957	60,077
Accrued interest expense		58,636	60,905
Due to related party[iii]	22	176,242	323,036
Contingent consideration		17,464	17,214
Unit-based compensation	14	12,552	15,482
Distributions payable[iv]		20,938	20,665
Lease liabilities		1,242	1,453
Tenant deposits		18,468	17,508
Deferred revenue		21,043	25,029
Designated hedging derivatives	18	105	1,337
Trade payables and other liabilities		**$ 517,210**	$ 723,080
Classified as:			
Expected to be settled in more than twelve months		$ 20,264	$ 24,628
Expected to be settled in less than twelve months		496,946	698,452
		$ 517,210	$ 723,080

(i) Includes amounts payable to Loblaw of $7,518 (December 31, 2023 - $7,428) (Note 22).
(ii) Includes construction allowances payable to Loblaw of $18,160 (December 31, 2023 - $26,726) (Note 22).
(iii) Includes distributions accrued on Exchangeable Units of $174,475 payable to GWL (December 31, 2023 - $320,587); $1,603 payable for shared costs incurred by GWL, the Services Agreement expense and other related party charges (December 31, 2023 - $1,050); and $164 of reimbursed contract revenue and other related party charges payable to Loblaw (December 31, 2023 - $296) (Note 22).
(iv) Includes distributions payable to GWL of $3,209 and Wittington of $1,045 (December 31, 2023 - $3,166 and $1,031, respectively) (Note 22).

Contingent consideration
On March 30, 2021, the Trust acquired an 85% interest in future industrial development land in Caledon, Ontario, for $138,000. The purchase price comprised a $100,000 cash payment and a commitment to pay the remaining $38,000 balance based on certain milestones being met over the development lifecycle, which represented the then present value of the estimated amount payable. A payment of $23,100 was made upon reaching the first development milestone. The present value of the remaining estimated amount payable is $17,464 as at June 30, 2024 (December 31, 2023 - $17,214).

Accrued acquisition transaction costs and other related expenses
The reduction in accrued acquisition transaction costs and other related expenses was due to the reversal of a $38,615 transaction related provision that was determined to be no longer required.

Note 14. Unit-Based Compensation

($ thousands)	Three Months June 30, 2024	Three Months June 30, 2023	Six Months June 30, 2024	Six Months June 30, 2023
Unit Option plan	**$ (208)**	$ (141)	**$ (230)**	$ (230)
Restricted Unit plan	**586**	690	**785**	1,046
Performance Unit plan	**262**	240	**383**	566
Trustee Deferred Unit plan	**(251)**	(147)	**170**	77
Unit-based compensation expense	**$ 389**	$ 642	**$ 1,108**	$ 1,459
Recorded in:				
General and administrative expenses	**$ 1,677**	$ 1,640	**$ 3,177**	$ 3,189
Adjustment to fair value of unit-based compensation	**(1,288)**	(998)	**(2,069)**	(1,730)
	$ 389	$ 642	**$ 1,108**	$ 1,459

As at June 30, 2024, the carrying value of the unit-based compensation liability was $12,552 (December 31, 2023 - $15,482) (Note 13).

Unit Option Plan

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

	Six months ended June 30, 2024 Number of awards	Six months ended June 30, 2024 Weighted average exercise price/unit	Year ended December 31, 2023 Number of awards	Year ended December 31, 2023 Weighted average exercise price/unit
Outstanding Unit Options, beginning of period	**164,300**	**$ 11.92**	253,154	$ 12.01
Exercised	**—**	**—**	(88,823)	12.17
Expired	**—**	**—**	(31)	13.93
Outstanding Unit Options, end of the period	**164,300**	**$ 11.92**	164,300	$ 11.92
Unit Options exercisable, end of the period	**164,300**	**$ 11.92**	164,300	$ 11.92

Restricted Unit Plan

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

Restricted Unit Plan

Restricted Units ("RU") entitle certain employees to receive the value of the RU award in cash or units at the end of the applicable vesting period, which is usually three years in length. The RU plan provides for the crediting of additional RUs in respect of distributions paid on Units for the period when a RU is outstanding. The fair value of each RU granted is measured based on the market value of a Trust Unit at the balance sheet date. No outstanding RUs had vested as at June 30, 2024 (December 31, 2023 - nil).

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

(Number of awards)	As at June 30, 2024	As at December 31, 2023
Outstanding Restricted Units, beginning of period	**265,338**	271,147
Granted	**118,061**	128,795
Reinvested	**7,911**	16,361
Exercised	**(82,381)**	(96,308)
Cancelled	**(18,403)**	(54,657)
Outstanding Restricted Units, end of period	**290,526**	265,338

Unit-Settled Restricted Unit Plan

Under the terms of the Unit-Settled Restricted Unit ("URU") plan, certain employees are granted URUs which are subject to vesting conditions and disposition restrictions. Typically, full vesting of the URUs will not occur until the employee has remained with Choice Properties for three or five years from the date of grant. Depending on the nature of the grant, the URUs are subject to a six- or seven-year holding period during which the Units cannot be disposed. There were 1,562,299 URUs vested but still subject to disposition restrictions as at June 30, 2024 (December 31, 2023 - 1,503,185).

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

(Number of awards)	**As at June 30, 2024**	As at December 31, 2023
Outstanding Unit-Settled Restricted Units, beginning of period	**705,401**	666,719
Granted	**301,892**	240,893
Cancelled	**(9,743)**	(4,942)
Vested	**(217,503)**	(197,269)
Outstanding Unit-Settled Restricted Units, end of period	**780,047**	705,401

Performance Unit Plan

Performance Units ("PU") entitle certain employees to receive the value of the PU award in cash or units at the end of the applicable performance period, which is usually three years in length, based on the Trust achieving certain performance conditions. The PU plan provides for the crediting of additional PUs in respect of distributions paid on Units for the period when a PU is outstanding. The fair value of each PU granted is measured based on the market value of a Trust Unit at the balance sheet date. There were no PUs vested as at June 30, 2024 (December 31, 2023 - nil).

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

(Number of awards)	**As at June 30, 2024**	As at December 31, 2023
Outstanding Performance Units, beginning of period	**256,674**	238,418
Granted	**94,335**	97,056
Reinvested	**7,145**	14,148
Exercised	**(106,176)**	(107,057)
Cancelled	**(11,726)**	(19,737)
Added by performance factor	**18,292**	33,846
Outstanding Performance Units, end of period	**258,544**	256,674

Trustee Deferred Unit Plan

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

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

(Number of awards)	**As at June 30, 2024**	As at December 31, 2023
Outstanding Trustee Deferred Units, beginning of period	**559,380**	506,556
Granted	**59,853**	111,047
Reinvested	**16,119**	30,029
Exercised	**—**	(88,252)
Outstanding Trustee Deferred Units, end of period	**635,352**	559,380

Note 15. Rental Revenue

Rental revenue is comprised of the following:

	Three Months			Six Months		
($ thousands)	**Related Parties(i)**	**Third-party**	**June 30, 2024**	**Related Parties(i)**	**Third-party**	**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 22, Related Party Transactions.

	Three Months			Six Months		
($ thousands)	Related Parties(i)	Third-party	June 30, 2023	Related Parties(i)	Third-party	June 30, 2023
Base rent	$ 129,818	$ 88,193	$ 218,011	$ 259,706	$ 174,399	$ 434,105
Property tax and insurance recoveries	36,711	26,204	62,915	73,892	51,565	125,457
Operating cost recoveries	20,789	17,820	38,609	43,470	39,478	82,948
Lease surrender and other revenue	—	10,792	10,792	—	12,474	12,474
Rental revenue	$ 187,318	$ 143,009	$ 330,327	$ 377,068	$ 277,916	$ 654,984

(i) Refer to Note 22, Related Party Transactions.

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

Note 16. Property Operating Costs

	Three Months		Six Months	
($ thousands)	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
Property taxes and insurance	**$ 68,478**	$ 66,924	**$ 136,318**	$ 132,189
Recoverable operating costs	**25,631**	24,329	**54,829**	53,750
Non-recoverable operating costs	**(914)**	922	**153**	1,506
Property operating costs	**$ 93,195**	$ 92,175	**$ 191,300**	$ 187,445

Included in non-recoverable operating expenses are net reversals of expected credit losses of $1,818 for the six months ended June 30, 2024 (June 30, 2023 - net expected credit loss of $3). Refer to Note 9 for discussion on rents receivable and the related expected credit losses.

Note 17. Net Interest Expense and Other Financing Charges

		Three Months		Six Months	
($ thousands)	Note	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
Interest on senior unsecured debentures		**$ 57,732**	$ 54,816	**$ 113,700**	$ 105,857
Interest on mortgages and construction loans		**11,528**	10,621	**21,488**	20,306
Interest on credit facility		**1,160**	1,956	**2,209**	6,584
Interest on right-of-use lease liabilities		**12**	18	**24**	36
Amortization of debt discounts and premiums	10	**227**	5	**388**	33
Amortization of debt placement costs	10,11	**1,119**	1,203	**2,257**	2,648
Distributions on Exchangeable Units[(i)]	22	**75,199**	74,210	**149,739**	147,761
		146,977	142,829	**289,805**	283,225
Less: Capitalized interest[(ii)]	5	**(773)**	(1,704)	**(1,317)**	(2,743)
Net interest expense and other financing charges		**$ 146,204**	$ 141,125	**$ 288,488**	$ 280,482

(i) Represents interest on indebtedness due to GWL.
(ii) Interest was capitalized to qualifying development projects based on a weighted average interest rate of 4.14% and 4.11% for the three and six months ended June 30, 2024, respectively (June 30, 2023 - 4.02% and 4.02%, respectively).

Note 18. Financial Instruments

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

		As at June 30, 2024				As at December 31, 2023			
($ thousands)	Note	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Assets									
Fair value through profit and loss:									
Mortgages, loans and notes receivable	8	**$ —**	**$ —**	**$ 137,825**	**$ 137,825**	$ —	$ —	$ 160,953	$ 160,953
Financial real estate assets	7	**—**	**—**	**197,765**	**197,765**	—	—	195,457	195,457
Investment in real estate securities		**—**	**180,797**	**—**	**180,797**	—	238,308	—	238,308
Designated hedging derivatives	9	**—**	**8,025**	**—**	**8,025**	—	7,872	—	7,872
Amortized cost:									
Mortgages, loans and notes receivable	8	**—**	**—**	**390,900**	**390,900**	—	—	500,700	500,700
Cash and cash equivalents	19(c)	**—**	**619,586**	**—**	**619,586**	—	252,424	—	252,424
Liabilities									
Fair value through profit and loss:									
Exchangeable Units	12	**—**	**5,081,899**	**—**	**5,081,899**	—	5,521,222	—	5,521,222
Unit-based compensation	13,14	**—**	**12,552**	**—**	**12,552**	—	15,482	—	15,482
Designated hedging derivatives	13	**—**	**105**	**—**	**105**	—	1,337	—	1,337
Amortized cost:									
Long term debt	10	**—**	**—**	**6,965,456**	**6,965,456**	—	—	6,599,055	6,599,055

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

Designated Hedging Derivatives

Designated hedging derivatives consist of interest rate swaps to hedge the interest rate associated with an equivalent amount of variable rate mortgages, and cross currency swaps to hedge foreign exchange associated with the equivalent amount borrowed in US$ on the Trust's credit facility (Note 11). During the six months ended June 30, 2024, an interest swap was settled upon maturity of the underlying variable rate mortgage. As at June 30, 2024, the interest rates associated with the interest rate swaps ranged from 2.8% to 5.0% (December 31, 2023 - 2.8% to 5.0%).

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

($ thousands)	Note	**Maturity Date**	**Notional Amount**	**As at June 30, 2024**	As at December 31, 2023
Derivative assets					
Interest rate swaps	9	**Nov 2025 - Jun 2030**	**$ 77,677**	**$ 8,025**	$ 7,872
Total derivative assets			**$ 77,677**	**$ 8,025**	$ 7,872
Derivative liabilities					
Interest rate swaps	13	**March 1, 2030**	**$ 75,582**	**$ 105**	$ 1,337
Total derivative liabilities			**$ 75,582**	**$ 105**	$ 1,337

During the six months ended June 30, 2024, the Trust recorded an unrealized fair value gain in other comprehensive income of $1,385 (June 30, 2023 - unrealized fair value gain of $817).

Note 19. Supplemental Cash Flow Information

(a) Items not affecting cash and other items

		Three Months		Six Months	
($ thousands)	Note	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
Straight-line rental revenue	5	**$ 1,434**	$ 898	**$ 1,173**	$ 1,877
Unit-based compensation expense included in general and administrative expenses	14	**1,677**	1,640	**3,177**	3,189
Amortization of intangible assets		**250**	250	**500**	500
Adjustment to fair value of unit-based compensation	14	**(1,288)**	(998)	**(2,069)**	(1,730)
Adjustment to fair value of Exchangeable Units	12	**(372,039)**	(375,997)	**(439,323)**	(470,986)
Adjustment to fair value of investment properties	5	**(28,035)**	(86,053)	**(26,670)**	(161,820)
Adjustment to fair value of investment in real estate securities		**27,870**	31,176	**57,511**	45,819
Items not affecting cash and other items		**$ (370,131)**	$ (429,084)	**$ (405,701)**	$ (583,151)

(b) Net change in non-cash working capital

		Three Months		Six Months	
($ thousands)	Note	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
Net change in accounts receivable and other assets	9	**$ (45,002)**	$ (14,322)	**$ (82,297)**	$ (50,117)
Cost of sales recognized - residential development inventory		**—**	—	**9,234**	—
Net change in trade payables and other liabilities	13	**(52,937)**	(12,419)	**(41,656)**	4,000
Net change in non-cash working capital		**$ (97,939)**	$ (26,741)	**$ (114,719)**	$ (46,117)

(c) Cash and cash equivalents

($ thousands)	**As at June 30, 2024**	As at December 31, 2023
Cash	**$ 99,545**	$ 107,983
Short-term investments	**520,041**	144,441
Cash and cash equivalents	**$ 619,586**	$ 252,424

Note 20. Segment Information

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

The tables below presents net rental income for the three and six months ended June 30, 2024 and June 30, 2023 in a manner consistent with internal reporting. The accounting policies of the segments presented here are the same as those described in Note 2 of the audited annual consolidated financial statements, except that segment rental revenue and segment property operating costs include the proportionate share of revenue and direct operating costs of joint ventures and financial real estate assets.

($ thousands)	Retail	Industrial	Mixed-Use & Residential	Consolidation and eliminations(i)	Three months ended June 30, 2024
Rental revenue	**$ 273,874**	**$ 66,156**	**$ 18,222**	**$ (22,864)**	**$ 335,388**
Property operating costs	**(79,055)**	**(15,098)**	**(7,083)**	**8,041**	**(93,195)**
Net Rental Income	**$ 194,819**	**$ 51,058**	**$ 11,139**	**$ (14,823)**	**$ 242,193**

(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
Rental revenue	**$ 551,769**	**$ 132,003**	**$ 35,888**	**$ (46,314)**	**$ 673,346**
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.

($ thousands)	Retail	Industrial	Mixed-Use & Residential	Consolidation and eliminations(i)	Three months ended June 30, 2023
Rental revenue	$ 276,071	$ 55,786	$ 18,755	$ (20,285)	$ 330,327
Property operating costs	(76,885)	(14,669)	(7,230)	6,609	(92,175)
Net Rental Income	$ 199,186	$ 41,117	$ 11,525	$ (13,676)	$ 238,152

(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, 2023
Rental revenue	$ 545,689	$ 111,816	$ 39,731	$ (42,252)	$ 654,984
Property operating costs	(156,894)	(29,133)	(15,640)	14,222	(187,445)
Net Rental Income	$ 388,795	$ 82,683	$ 24,091	$ (28,030)	$ 467,539

(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, 2024 and as at December 31, 2023 in a manner consistent with internal reporting. The accounting policies of the segments presented here are the same as those described in Note 2 of the audited annual consolidated financial statements, except that segment income producing properties and segment properties under development include the proportionate share of joint ventures and financial real estate assets.

($ thousands)	**Retail**	**Industrial**	**Mixed-Use & Residential**	**Consolidation and eliminations(i)**	**As at June 30, 2024**
Income producing properties	**$ 11,097,364**	**$ 3,824,709**	**$ 905,927**	**$ (1,044,000)**	**$ 14,784,000**
Properties under development	**197,407**	**605,500**	**60,093**	**(620,000)**	**243,000**
Investment Properties	**$ 11,294,771**	**$ 4,430,209**	**$ 966,020**	**$ (1,664,000)**	**$ 15,027,000**

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

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

Note 21. Contingencies, Commitments, and Guarantees

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

a. Legal Proceedings

Choice Properties is potentially the subject of various legal proceedings and claims that arise in the ordinary course of business. The outcome of all these proceedings and claims is uncertain. Based on information currently available, any proceedings and claims, individually and in the aggregate, are not expected to have a material impact on Choice Properties.

b. Guarantees

Choice Properties issues letters of credit to support guarantees related to its investment properties including maintenance and development obligations to municipal authorities. As at June 30, 2024, the aggregate gross potential liability related to these letters of credit totalled $37,076 (December 31, 2023 - $37,668).

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

c. Commitments

Choice Properties has entered into contracts for development and property capital projects and has other contractual obligations. The Trust is committed to future payments of approximately $589,000, of which $474,000 relates to equity accounted joint ventures, as at June 30, 2024 (December 31, 2023 - $427,000 and $339,000, respectively).

d. Contingent Liabilities

Generally, the Trust is only liable for its proportionate share of the obligations of the co-ownerships and equity accounted joint ventures in which it participates, except in limited circumstances. Credit risk arises in the event that the partners default on the payment of their proportionate share of such obligations. The Trust has exposure to its partners' share of mortgage debt obligations within its equity accounted joint ventures in the amount of $371,817 as at June 30, 2024 (December 31, 2023 - $399,071). This credit risk is mitigated as the Trust generally has recourse under its co-ownership agreements and joint venture arrangements in the event of default of its partners, in which case the Trust's claim would be against both the underlying real estate investments and the partners that are in default. Management believes that the assets of its co-ownerships and equity accounted joint ventures are sufficient for the purpose of satisfying any obligation of the Trust should the Trust's partner default.

Note 22. Related Party Transactions

Choice Properties' parent corporation is GWL, which, as at June 30, 2024, held either directly or indirectly, a 61.7% effective interest in the Trust through ownership of 50,661,415 units and all of the Exchangeable Units, which are economically equivalent to and exchangeable to Units. GWL is also the parent company of Loblaw, with ownership of 52.6% of Loblaw's outstanding common shares as at June 30, 2024. Choice Properties' ultimate parent is Wittington Investments, Limited.

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

Transactions and Agreements with GWL

Services Agreement
During the six months ended June 30, 2024, GWL provided Choice Properties with corporate, administrative and other support services for an annualized cost of $4,988 (December 31, 2023 - $4,970).

Distributions on Exchangeable Units
GWL, directly or indirectly, holds all of the Exchangeable Units issued by Choice Properties Limited Partnership, a subsidiary of Choice Properties. During the three and six months ended June 30, 2024, distributions declared on the Exchangeable Units totalled $75,199 and $149,739 (June 30, 2023 - $74,210 and $147,761, respectively).

As at June 30, 2024, Choice Properties had distributions on Exchangeable Units payable to GWL of $174,475 (December 31, 2023 - $320,587). The payable to GWL includes deferred distributions of $149,409 to be paid on the first business day of the 2025 fiscal year (December 31, 2023 - $295,851).

Notes Receivable
Holders of Exchangeable Units may, in lieu of receiving all or a portion of their distributions, choose to be loaned an amount from Choice Properties Limited Partnership, and to have such distributions made on the first business day following the end of the fiscal year in which such distribution would otherwise have been made. The loans do not bear interest and are due and payable in full on the first business day following the end of the fiscal year during which the loan was made. During the six months ended June 30, 2024, GWL elected to receive distributions from Choice Properties Limited Partnership in the form of loans. As such, non-interest bearing short-term notes totalling $149,409 were issued during the six months ended June 30, 2024 to GWL. Non-interest bearing short-term notes totalling $295,851 with respect to the loans received in the 2023 fiscal year were settled against distributions payable by the Trust to GWL in January 2024

Trust Unit Distributions
During the three and six months ended June 30, 2024, Choice Properties declared cash distributions of $9,626 and $19,167, respectively on the Units held by GWL (June 30, 2023 - $9,499 and $18,914, respectively). As at June 30, 2024, $3,209 of Trust Unit distributions declared were payable to GWL (December 31, 2023 - $3,166). There were no non-cash distributions settled through the issuance of additional Trust Units during the six months ended June 30, 2024 (June 30, 2023 - $nil).

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

		Three Months		Six Months	
($ thousands)	Note	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
Rental revenue	15	**$ 801**	$ 776	**$ 1,602**	$ 1,552
Services Agreement expense		**(1,247)**	(1,158)	**(2,494)**	(2,400)
Distributions on Exchangeable Units	17	**(75,199)**	(74,210)	**(149,739)**	(147,761)

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

($ thousands)	Note	As at June 30, 2024	As at December 31, 2023
Notes receivable	8	**$ 149,409**	$ 295,851
Other receivables	9	**85**	512
Exchangeable Units	12	**(5,081,899)**	(5,521,222)
Accrued liabilities	13	**(1,603)**	(1,050)
Distributions payable on Exchangeable Units	13	**(174,475)**	(320,587)
Distributions payable on Trust Units	13	**(3,209)**	(3,166)
Due from (to) GWL and subsidiaries		**$ (5,111,692)**	$ (5,549,662)

Transactions and Agreements with Loblaw

Acquisitions

During the six months ended June 30, 2024, Choice Properties acquired from Loblaw one retail property for an aggregate purchase price of $38,300, excluding transaction costs.

Strategic Alliance Agreement

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

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

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

Leases

Subsequent to the quarter end, Choice and Loblaw renewed 46 of a tranche of 48 leases expiring in 2025, including one industrial lease.

Lease Surrender Revenue

During the six months ended June 30, 2024, Choice Properties recognized $2,912 of lease surrender revenue from Loblaw (June 30, 2023 - $nil).

Site Intensification Payments

Choice Properties compensated Loblaw with intensification payments of $1,242 in connection with completed gross leasable area for which tenants took possession during the six months ended June 30, 2024 (June 30, 2023 - $367).

Transaction Summary as Reflected in the Consolidated Financial Statements

Loblaw is the largest tenant for Choice Properties, representing approximately 57.9% of Choice Properties' rental revenue for the six months ended June 30, 2024 (June 30, 2023 - 57.2%). Transactions with Loblaw recorded in the consolidated statements of income and comprehensive income were comprised as follows:

		Three Months		Six Months	
($ thousands)	Note	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
Rental revenue	15	**$ 193,203**	$ 186,152	**$ 390,152**	$ 374,735

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

($ thousands)	Note	As at June 30, 2024	As at December 31, 2023
Rent receivable	9	**$ 688**	$ 1,080
Other receivables	9	**6,293**	2,626
Accrued liabilities	13	**(7,518)**	(7,428)
Construction allowances payable	13	**(18,160)**	(26,726)
Reimbursed contract payable	13	**(164)**	(296)
Due from (to) Loblaw		**$ (18,861)**	$ (30,744)

Transactions and Agreements with Wittington

Management Agreements

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

Trust Unit Distributions

During the three and six months ended June 30, 2024, Choice Properties declared cash distributions of $3,135 and $6,243, respectively on the Units held by Wittington (June 30, 2023 - $3,094 and $6,160, respectively). As at June 30, 2024, $1,045 of Trust Unit distributions declared were payable to Wittington (December 31, 2023 - $1,031). There were no non-cash distributions settled through the issuance of additional Trust Units during the six months ended June 30, 2024 (December 31, 2023 - $nil).

Transaction Summary as Reflected in the Consolidated Financial Statements

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

		Three Months		Six Months	
($ thousands)	Note	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
Rental revenue	15	**$ 397**	$ 390	**$ 796**	$ 781
Fee income		**132**	167	**195**	495

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

($ thousands)	Note	As at June 30, 2024	As at December 31, 2023
Rent receivable	9	**$ 132**	$ 129
Cost-to-complete receivable	9	**3,991**	4,440
Distributions payable	13	**(1,045)**	(1,031)
Due from (to) Wittington and subsidiaries		**$ 3,078**	$ 3,538

Transactions and Agreements with other related parties

Mortgages receivable

As at June 30, 2024, $94,890 of mortgages receivable included within mortgages, loans and notes receivable were to entities in which the Trust has an ownership interest (December 31, 2023 - $114,524).

Shareholder Information and How to Contact Us

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

Conference Call and Webcast Management will host a conference call on Friday, July 19, 2024 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.

Head Office

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

Stock Exchange Listing and Symbol

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

Distribution Policy

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

Registrar and Transfer Agent

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

Investor Relations

Tel: 416-628-7771 • Toll free: 1-855-322-2122
Email: investor@choicereit.ca • Website: www.choicereit.ca
Additional financial information has been filed electronically with various securities regulators in Canada through the System for Electronic Document Analysis and Retrieval ("SEDAR+"), www.sedarplus.ca. Choice Properties holds a conference call shortly following the release of its quarterly results. These calls are archived in the Investor Relations section of the Trust's website, www.choicereit.ca.

Non-Management Trustees

Ce rapport est disponible en français.

ESG Strategy
Our Sustainability Focus in Action

Choice Properties' commitment to building social, economic and environmental sustainability is one of the most important ways that we bring our Purpose to life.

Our ESG strategy is embedded across all aspects of our business, including development, construction, and operations. We are focused on two core pillars – fighting climate change and strengthening communities to prosper.

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

Highway 88 West

500 Holland Street West
Bradford, ON

Asset class type: Retail
Property GLA: 93,861 sq. ft.

During the second quarter, we unveiled our latest placemaking endeavour, revitalizing an underused area of the property into a vibrant summer patio featuring outdoor dining accommodations, permanent pergola shading, Muskoka chairs, and oversized outdoor games. Through placemaking, we aim to add value to our site by providing additional amenities, enhancing tenant satisfaction, and fostering stronger connections with the community.

ChoiceProperties