Slate Grocery REIT

2021 Annual Report

SLATE

Mooresville Town Square, Mooresville, North Carolina

Harper Hill Commons, Winston Salem, North Carolina

About Slate Grocery REIT

(TSX: SGR.U / SGR.UN)

Slate Grocery REIT is an owner and operator of U.S. grocery-anchored real estate. The REIT owns and operates approximately U.S. $1.9 billion of critical real estate infrastructure across major U.S. metro markets that communities rely upon for their daily needs. The REIT's resilient grocery-anchored portfolio and strong credit tenants provide unitholders with durable cash flows and the potential for capital appreciation over the longer term.

Visit slategroceryreit.com to learn more about the REIT.

Slate Grocery REIT is managed by Slate Asset Management. Slate Asset Management is a global alternative investment platform focused on real estate. We focus on fundamentals with the objective of creating long-term value for our investors and partners. Slate's platform spans a range of investment strategies, including opportunistic, value add, core plus and debt investments. We are supported by exceptional people and flexible capital, which enable us to originate and execute on a wide range of compelling investment opportunities. Visit slateam.com to learn more.

Forward-looking Statements

Certain information in this management's discussion and analysis ("MD&A") constitutes "forward-looking statements" within the meaning of applicable securities legislation. These statements reflect management's expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance and business prospects and opportunities of Slate Grocery REIT (the "REIT") including expectations for the current financial year, and include, but are not limited to, statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Statements that contain words such as "could", "should", "would", "can", "anticipate", "expect", "does not expect", "believe", "plan", budget", "schedule", "estimate", "intend", "project", "will", "may", "might", "continue" and similar expressions or statements relating to matters that are not historical facts constitute forward-looking statements. Some of the specific forward-looking statements contained herein include, but are not expressions or statements relating to matters that are not historical facts constitute forward-looking statements. Some of the specific forward-looking statements contained herein include, but are not limited to, statements relating to the impact of the COVID-19 pandemic. There can be no assurance regarding the impact of COVID-19 on the business, operations, and financial performance of the REIT and its tenants, as well as on consumer behaviors and the economy in general. Management believes that the expectations reflected in its forward-looking statements are based upon reasonable assumptions, however, management can give no assurance that actual results, performance or achievements will be consistent with these forward-looking statements.

These forward-looking statements are not guarantees of future events or performance and, by their nature, are based on the REIT's current estimates and assumptions, which are subject to significant risks and uncertainties. The REIT believes that these statements are made based on reasonable assumptions; however, there is no assurance that the events or circumstances in these forward-looking statements will occur or be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to the risks that are more fully discussed under the "Risk Factors" section of the annual information form of the REIT for the year ended December 31, 2021 ("Annual Information Form"). Factors that could cause actual results to differ materially from those contemplated or implied including, but not limited to: financial and operational risks associated with the COVID-19 pandemic; risks incidental to ownership and operation of real estate properties including local real estate conditions; financial risks related to obtaining available equity and debt financing at reasonable costs and interest rate fluctuations; operational risks including timely leasing of vacant space and re-leasing of occupied space on expiration of current leases on terms at current or anticipated rental rates; tenant defaults and bankruptcies; uncertainties of acquisition activities including availability of suitable property acquisitions and in integration of acquisitions; competition including development of properties in close proximity to the REIT's properties; loss of key management and employees; potential environmental liabilities; catastrophic events, such as earthquakes and hurricanes; governmental, taxation and other regulatory risks and litigation risks.

Forward-looking statements included in this MD&A are made as of February 23, 2022 and accordingly are subject to change after such date. The REIT does not undertake to update any forward-looking statements that are included in this MD&A, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities laws. Certain statements included in this MD&A may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this MD&A. Investors are cautioned against placing undue reliance on forward-looking statements.

Highlights

95.3%
Grocery-anchored properties

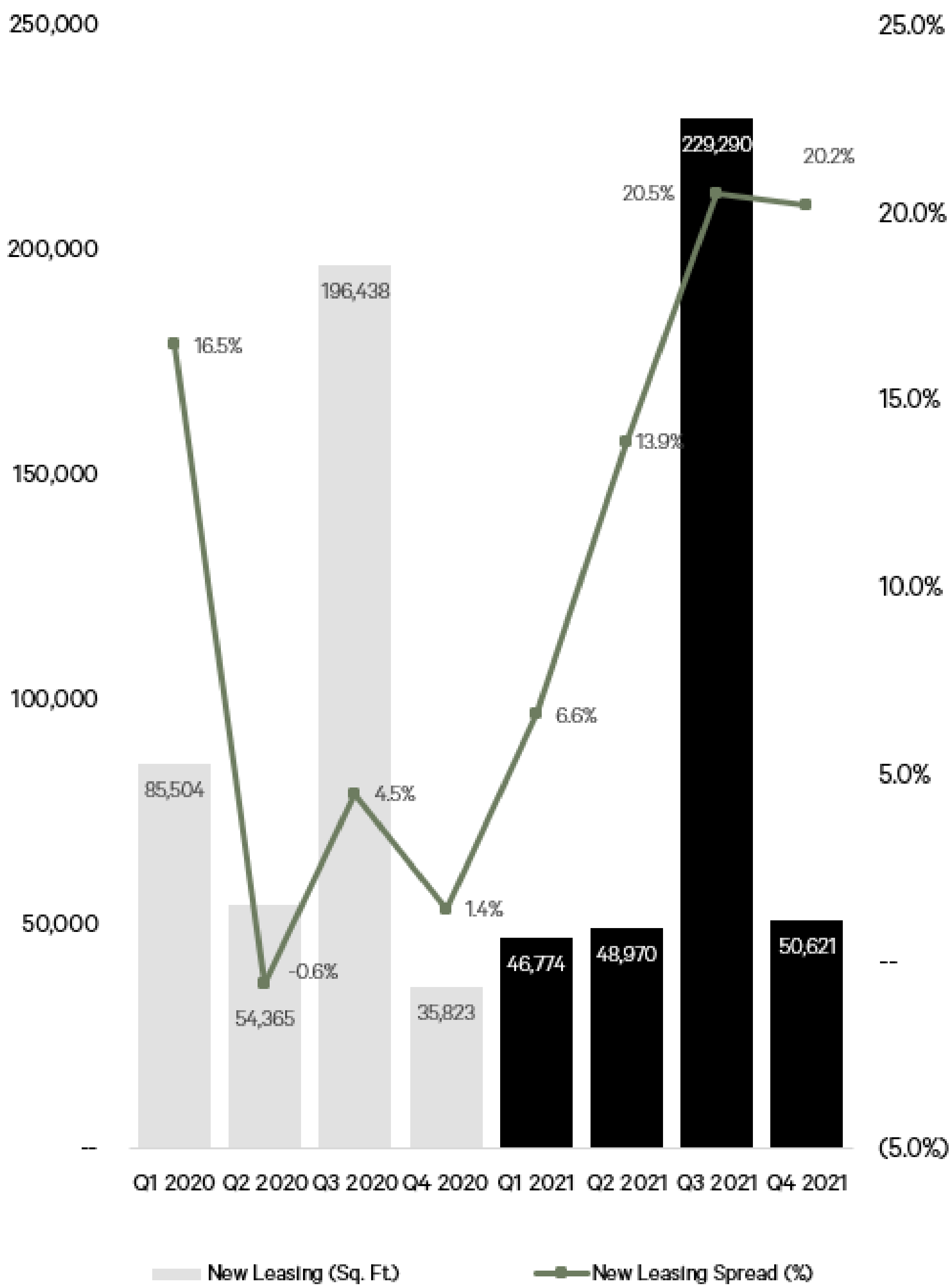
68.2%
Essential tenants

93.6%
Portfolio occupancy

$1.9B
Critical real estate[1]

[1] On a proportionate interest basis.

Record new leasing for 2021



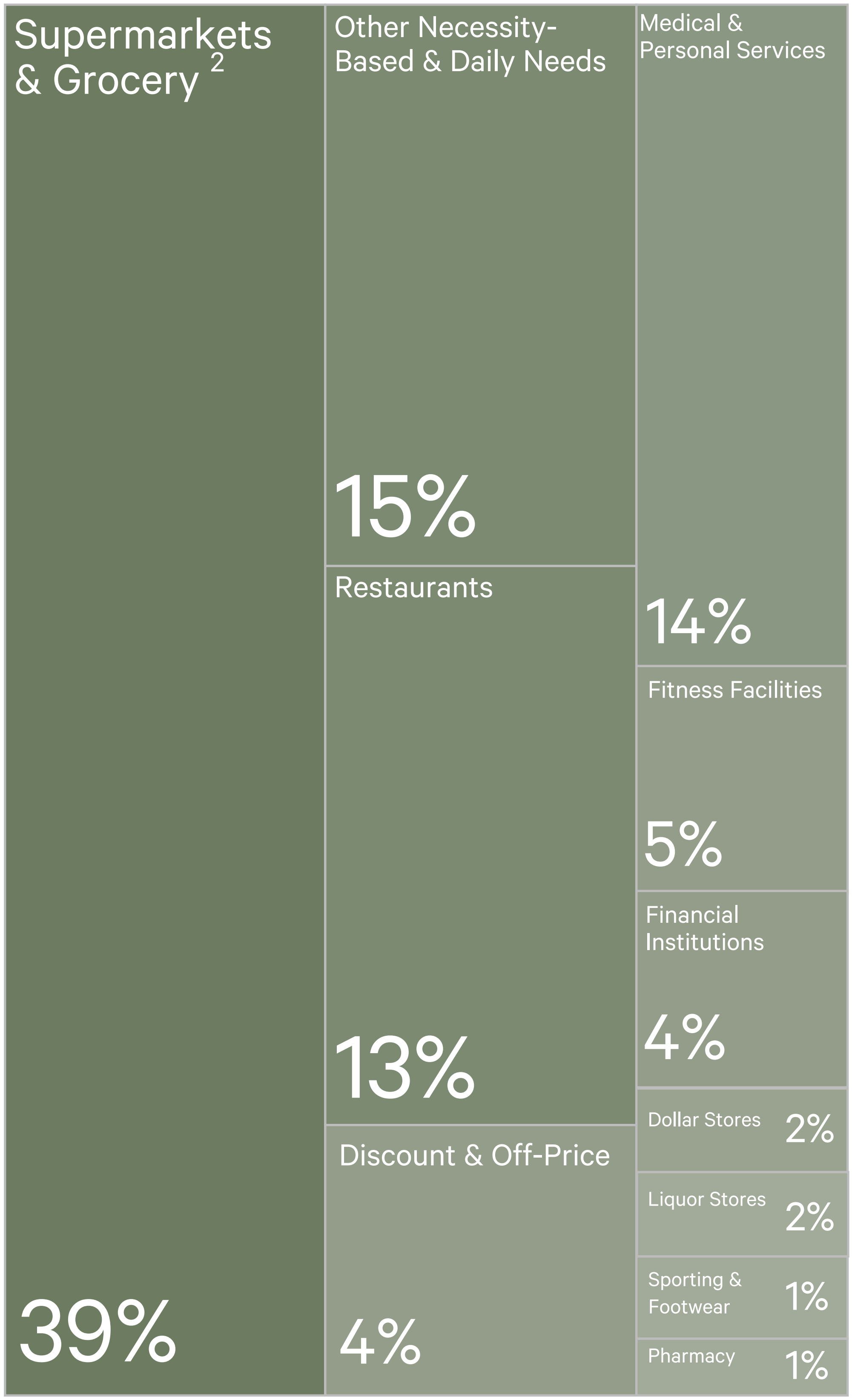
Top 5 Tenants

Ranked by Annual Base Rent

1	8.1%	Kroger
2	6.2%	Walmart
3	4.5%	Ahold Delhaize
4	3.2%	Albertsons
5	3.2%	Tops Friendly Markets

74.8% remaining tenants across 1,654 leases

Necessity Based Tenancy [1]



[1] Based on the North American Industry Classification System
[2] Includes Walmart

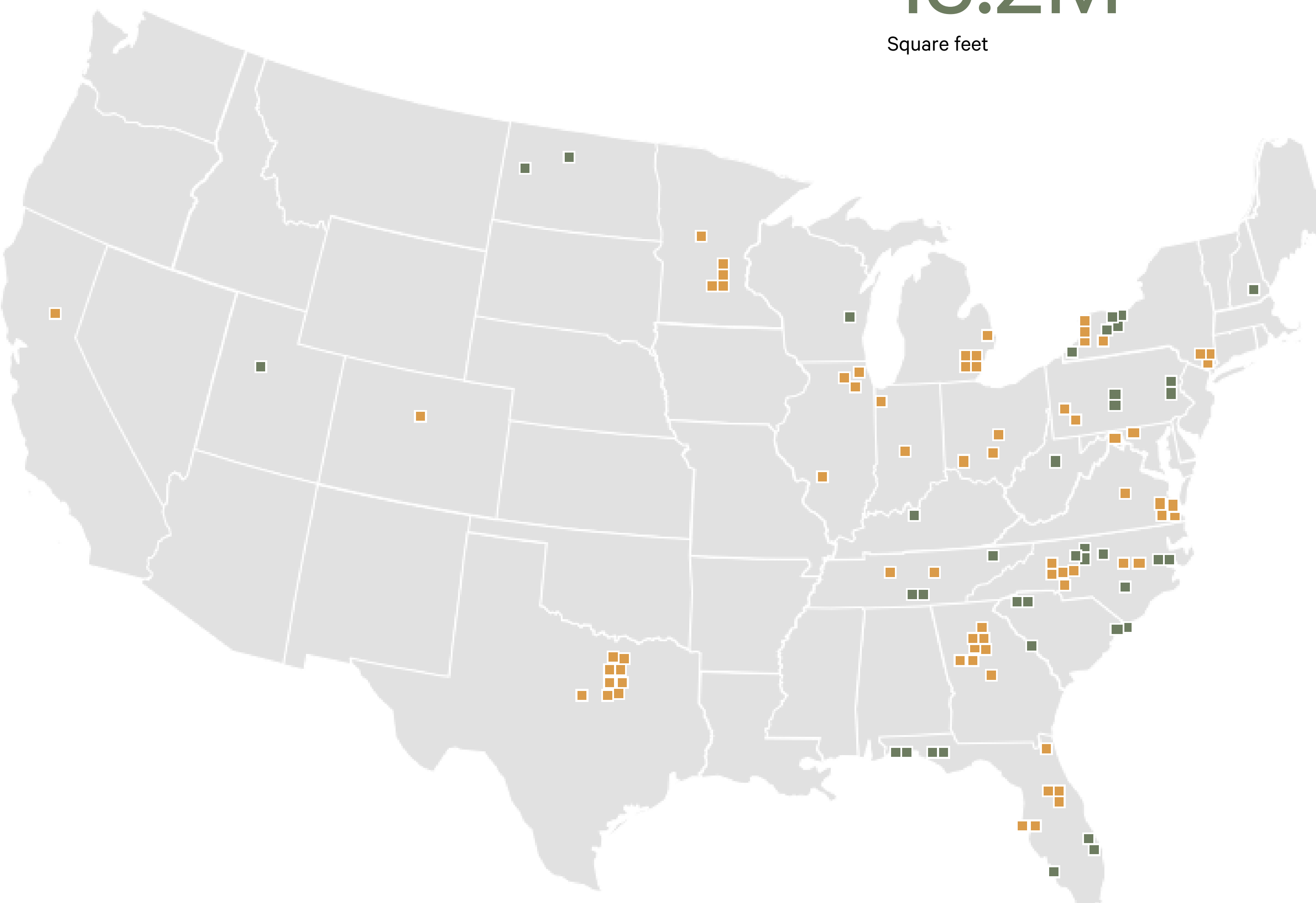

publix
FOOD & PHARMACY
Presto!

Assets

107
Number of properties

23
States

13.2M
Square feet



Legend

Asset

Presence in 23 of the top 50 U.S. Metropolitan Statistical Areas ("MSAs")

Our experience lets us see opportunity clearly.

Letter to Unitholders

Dear Fellow Unitholders,

This past year has proven yet again the resiliency of grocery real estate and its ability to provide attractive returns in all market conditions.

Grocery real estate is an irreplaceable part of the supply chain, providing the critical infrastructure needed to distribute essential goods to consumers. Even as e-commerce accelerates and consumers increasingly take advantage of buy online options, grocery retailers are investing heavily in their bricks-and-mortar stores, through technology enabled services such as automated self-checkout and curbside pickup. This investment is driven by the fact that all methods of purchase, including e-commerce, require real estate to facilitate the pick-up or delivery of goods.

Online grocery sales are expected to represent 11% of total grocery sales in 2022, a slight uptick from approximately 10% in 2021[1]. Notably, most of these online orders – approximately 75% – are being fulfilled through existing stores[2]. Accordingly, we believe grocers will continue to invest heavily in their physical stores because grocery e-commerce requires the strategic, well-located, logistics-style real estate that bricks-and-mortar stores provide to economically reach the end consumer.

There is a significant advantage to owning grocery real estate in close proximity to neighborhoods. Grocers moving products to their consumer are focused on reducing their last mile costs. The cost of transportation accounts for over 50% of the supply chain cost, while rent is just 5% of that total. We expect tenant demand for our real estate to remain high, as physical stores near where people live continue to be an integral part of our grocer partners' competitive advantage.

2021 has been a transformational year for Slate Grocery REIT. Our platform has grown significantly, and we further enhanced the durability of our portfolio through proactive asset management.

Today, the REIT owns $1.9 billion in critical real estate infrastructure. Over the last 12 months, we have invested $468.5 million in accretive grocery-anchored acquisitions at compelling values, adding 3.7 million square feet or 38.2% of gross leasable area to our portfolio.

This included an opportunistic 25 property grocery-anchored portfolio acquisition for $390 million, which increased our exposure to leading omnichannel grocers in America's largest metropolitan areas, including New York and Texas.

We have remained focused on proactive leasing. Our team achieved a record year of new leasing totaling 375,655 square feet at a 17.9% weighted average rental spread. The continued efforts of our team resulted in a 93.6% occupancy rate at year-end, which marked the sixth consecutive quarter of occupancy gains by the REIT. We report a solid three-month same-property net operating growth of 2.9% for the fourth quarter of 2021. Our ancillary program contributed $0.2 million in revenue in the year and is expected to double in size in 2022.

Our development initiatives provide us with the opportunity to high-grade our real estate. In the year, we completed four anchor repositioning projects at a total cost of $15.2 million. These projects provide a meaningful yield on cost of 14.1%. We have four ongoing redevelopment projects with an estimated cost of $22.7 million, targeted for completion in 2022 that will add meaningful value to our portfolio over the long term.

Heading into 2022, Slate Grocery REIT is well-positioned to pursue organic growth and high-quality, accretive acquisitions.

Our balance sheet remains strong and underpins the successful execution of our business plan. Since the onset of the pandemic, we have refinanced over $1.1 billion of our debt maturities, which has provided us with ample liquidity and flexibility. And throughout this year of record growth, we maintained our leverage ratio at 54.0%. Further increasing the strength and flexibility of our balance sheet will remain a priority in 2022 and beyond.

As an externally managed REIT, Slate Grocery REIT benefits greatly from its relationship with its manager, Slate Asset Management. As a global alternative asset management platform that owns and operates over $3 billion of grocery assets worldwide, Slate Asset Management provides the REIT with access to unique insight and deal flow that support our strategic growth.

[1] Supermarket News 'E-commerce to account for 20% of U.S. grocery market by 2026 – October 2021'
[2] McKinsey & Co 'US Consumer sentiment and behaviors during the coronavirus crisis – December 2021'

> “Grocery real estate is an irreplaceable part of the supply chain, providing the critical infrastructure needed to distribute essential goods to consumers. Even as e-commerce accelerates and consumers increasingly take advantage of buy online options, grocery retailers are investing heavily in their bricks-and-mortar stores.”

The U.S. market presents a significant opportunity, with no more than 2% of the 40,000 grocery stores held by a single landlord. This fragmentation allows our team to find creative ways to grow our portfolio and add value.

We are pleased with our operational and financial results this past quarter and for the 2021 year, which validated our investment strategy and proactive management approach. Slate Grocery REIT’s positive momentum presents many exciting opportunities in the 2022 year and beyond, which will enable us to continue providing sustained, long-term value to our unitholders. On behalf of the Slate Grocery REIT team and the Board, I would like to thank the investor community for their confidence and support in our efforts.

Sincerely,
Blair Welch
CEO, Slate Grocery REIT
February 23, 2022

Cambridge Crossings, Troy, Michigan

Management's Discussion and Analysis

SLATE GROCERY REIT

TSX: SGR.U and SGR.UN

December 31, 2021

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FINANCIAL AND INFORMATIONAL HIGHLIGHTS

(in thousands of United States dollars)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Summary of Portfolio Information						
Number of properties [1]	107	107	80	80	75	76
Gross leasable area ("GLA") [1]	13,174,121	13,174,145	9,916,435	9,959,075	9,554,679	9,728,179
GLA occupied by grocery-anchors [1]	6,230,582	6,230,582	4,775,292	4,785,118	4,614,178	4,657,213
Occupancy [1]	93.6%	93.5%	93.2%	93.1%	92.9%	92.5%
Anchor occupancy [1]	100.0%	100.0%	98.6%	98.6%	98.6%	98.6%
Non-anchor occupancy [1]	87.8%	87.8%	87.9%	88.0%	87.5%	86.8%
Grocery-anchor weighted average lease term (years) [1]	5.2	5.2	5.6	5.9	6.5	6.4
Portfolio weighted average lease term (years) [1]	4.7	4.7	4.9	5.0	5.3	5.3
Square feet ("SF") of new leasing [1]	50,621	229,290	48,970	46,774	35,823	196,438
SF of total leasing [1]	314,652	425,821	171,458	143,325	480,738	431,778
Summary of Financial Information						
Gross book value ("GBV") [2 3]	$ 1,737,162	$ 1,715,471	$ 1,552,511	$ 1,539,994	$ 1,323,554	$ 1,302,849
GBV, Proportionate [2 3]	1,955,072	1,931,144	1,563,941	1,551,257	1,334,990	1,314,465
Debt [3]	937,744	928,122	766,997	766,616	726,373	777,526
Debt, Proportionate [3]	1,149,649	1,140,774	773,662	773,133	733,252	784,472
Revenue	38,348	34,079	33,377	32,471	31,872	31,961
Net income (loss) [1]	20,191	9,603	(3,141)	60,775	21,268	7,630
Net operating income ("NOI") [1 3]	31,885	25,647	24,037	23,285	22,583	23,098
Funds from operations ("FFO") [1 3 4]	15,684	13,686	12,545	11,529	11,684	11,487
Adjusted funds from operations ("AFFO") [1 3 4]	13,266	11,478	10,398	9,450	9,651	8,954
Distributions declared	$ 12,927	$ 11,283	$ 10,460	$ 10,460	$ 9,545	$ 9,087
Per Unit Financial Information						
Class U equivalent units outstanding [5]	59,852	59,852	48,432	48,432	48,432	42,072
Weighted Average class U equivalent units outstanding ("WA units")	60,054	49,742	48,615	48,597	43,752	42,222
FFO per WA units [1 3 4]	$ 0.26	$ 0.28	$ 0.26	$ 0.24	$ 0.27	$ 0.27
AFFO per WA units [1 3 4]	0.22	0.23	0.21	0.19	0.22	0.21
Declared distributions per unit	$ 0.2160	$ 0.2160	$ 0.2160	$ 0.2160	$ 0.2160	$ 0.2160
Financial Ratios						
FFO payout ratio [1 3 4 6 7]	82.4%	82.4%	83.4%	90.7%	81.7%	79.1%
AFFO payout ratio [1 3 4 6 7]	97.4%	98.3%	100.6%	110.7%	98.9%	101.5%
Debt / GBV [8]	54.0%	54.1%	53.0%	53.5%	54.9%	59.7%
Weighted average interest rate [9]	4.09%	4.03%	4.14%	4.25%	4.22%	3.98%
Interest coverage ratio	2.98x	2.73x	2.59x	2.50x	2.45x	2.48x

All portfolio information is for the three month period ended and all other amounts are as at the end of the period.

[1] Includes the REIT's share of joint venture investments.

[2] GBV is equal to total assets.

[3] Refer to non-IFRS financial measures on page 16.

[4] Adjusting to exclude the impact of the $169.0 million debt refinancing in the first quarter of 2021 FFO, FFO per unit and FFO payout ratio would be $11.8 million, $0.24 and 88.3%, respectively, and AFFO, AFFO per unit and AFFO payout ratio would be $9.8 million, $0.20 and 107.1%, respectively.

[5] Represents the total number of class U units outstanding, if all other units of the REIT, its subsidiaries and its deferred unit plan, were converted or exchanged, as applicable, for class U units of the REIT.

[6] Adjusting to exclude the impact of the September distributions in relation to the subscription receipt offering completed in the third quarter of 2021 for the acquisition of the 25 grocery-anchored portfolio, FFO payout ratio and AFFO payout ratio for the third quarter would be 76.5% , and 91.2%, respectively.

[7] FFO payout ratio and AFFO payout ratio is equal to distributions declared divided by FFO and distributions declared divided by AFFO, respectively.

[8] Excludes subscription receipt funds in escrow for first and second quarter of 2021.

[9] Includes the impact of pay-fixed receive-float swaps.

PART I – OVERVIEW

INTRODUCTION

This MD&A of the financial position and results of operations of Slate Grocery REIT (TSX: SGR.U and SGR.UN) and its subsidiaries (collectively, the "REIT") is intended to provide readers with an assessment of performance and summarize the financial position and results of operations of the REIT for the period ended December 31, 2021. The presentation of the REIT's financial results, including the related comparative information, contained in this MD&A are based on the REIT's consolidated financial statements for the period ended December 31, 2021 (the "consolidated financial statements"), which have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). This MD&A should be read in conjunction with those financial statements. All amounts are in thousands of United States dollars, which is the functional currency of the REIT and all of its subsidiaries.

The information contained in this MD&A is based on information available to the REIT and is dated as of February 23, 2022, which is also the date the Board of Trustees, upon the recommendation of its Audit Committee, approved the contents of this MD&A.

PROFILE

The REIT is an unincorporated open-ended real estate mutual fund trust constituted in accordance with the laws of the Province of Ontario pursuant to an amended and restated Declaration of Trust dated as of April 15, 2014, as amended on August 17, 2020. As of December 31, 2021, the REIT owns 107 grocery-anchored properties located in the United States of America (the "U.S.") comprising 13.2 million square feet of GLA.

The REIT is externally managed and operated by Slate Asset Management (Canada) L.P. (the "Manager" or "Slate"). The Manager has an experienced and dedicated team of real estate professionals with a proven track record of success in real estate investment and management. Management's interests are aligned with the unitholders of the REIT through its sponsorship and as a significant unitholder of the REIT. Slate is a significant unitholder in the REIT, with an approximate 5.6% interest, and accordingly, is highly motivated to increase the value to unitholders and provide reliable growing returns to the REIT's unitholders.

Additional information on the REIT, including its Annual Information Form, is available on SEDAR at www.sedar.com and on the REIT's website at www.slategroceryreit.com.

STRATEGY AND OUTLOOK

Our strategy is to own the last mile of essential logistics that allows our quality grocery-anchored properties to operate and service consumers for their everyday needs. Located in major markets in the U.S., we believe that our diversified portfolio and quality tenant covenants provides a strong basis to continue to grow unitholder distributions and flexibility to capitalize on opportunities that provide value appreciation.

We are focused on the following areas to achieve the REIT's objectives:

- Be disciplined in our acquisition of well-located properties that provide opportunity for future value creation;
- Proactive property and asset management that results in NOI growth while minimizing property and portfolio vacancy exposure;
- Prudent and disciplined management of capital outlays that will maintain and increase the attractiveness of the REIT's portfolio and achieve increased rents; and
- Continue to increase the REIT's financial strength and flexibility through robust balance sheet management.

The REIT's internal growth strategy includes the following:

- Maintaining strong tenant relationships and ensuring tenant retention: Slate expects to continue to nurture its many longstanding relationships with existing tenants by anticipating and adapting to their changing needs and being proactive with lease renewals. Slate understands the value of maintaining existing tenancies and will engage in ongoing discussions with tenants throughout their lease term to be proactive in negotiating early renewals as leases approach their expiries. The growing size of the REIT's portfolio will help strengthen its longstanding relationships with existing tenants and allow Slate to offer leasing opportunities across multiple properties. This strategy will promote organic growth by minimizing marketing, leasing and tenant improvement costs and avoiding interruptions in rental income generation.
- Maximizing rental income through leasing initiatives: Slate expects to maintain the current high level of occupancy in the REIT's properties by leveraging Slate's established leasing platform. Slate intends to continue to implement active strategies that take into consideration prevailing economic conditions, the nature of the property, its local positioning, as well as existing and prospective tenants. Many of the REIT's properties are located in areas with low vacancy rates and minimal new competitive supply, which should minimize leasing costs and allow the REIT to replace in-place rents with increased market rents as leases expire. Slate also seeks to continue to include contractual rent escalators in leases to further facilitate growth in rental income.
- Repositioning current properties: Slate believes that in a number of situations there exists the opportunity to reposition properties currently held by the REIT through modest and targeted capital projects and/or operational improvements.
- Acting creatively and opportunistically to drive incremental value through monetization of the REIT's land and assets by densification, leasing of rooftops, parking lots and other elements of the REIT's properties.

The REIT will continue to focus on acquiring diversified revenue producing commercial real estate properties with a focus on grocery-anchored properties. The REIT's external growth strategy includes the following:

- Opportunity to benefit from its relationship with Slate: The REIT anticipates that its continuing relationship with Slate provides opportunities to acquire additional properties. Slate has a strong track record of closing acquisitions and believes that it can grow the asset base of the REIT on an accretive basis in the near to medium term.
- Identify undervalued properties: Slate's extensive relationships with a network of U.S.-based commercial real estate brokers allows it to identify undervalued properties, many of which may be "off-market" or not widely marketed for sale. With over 40,000 grocery stores in the U.S., there are significant opportunities for the REIT to continue its strategy of acquiring attractive, revenue-producing grocery-anchored properties. Slate's familiarity with the REIT's properties allows it to identify complementary acquisition opportunities that are aligned with the REIT's investment criteria and accretive to cash flow. The REIT seeks to acquire properties that are: (i) located in major metropolitan areas in the U.S. that demonstrate favourable population and employment growth dynamics; (ii) located in well-developed sub-markets with limited risk of new development; and (iii) anchored by market dominant grocers and other essential tenants who fulfill the last mile of logistics and have a proven track record of strong sales and profitability. Slate will continue to target major metropolitan areas in the U.S. outside of gateway markets where there is typically more competition and less favourable pricing for quality assets.
- Apply Slate's hands-on asset management philosophy: Even though Slate targets assets that are stable, income producing properties, Slate will continue to assess each property to determine how to optimally refurbish, reposition and re-tenant the property. Slate will continue to work closely with contractors to reduce operating costs and will oversee capital expenditure projects to ensure they are on budget and completed on time. In addition, Slate will continue to: (i) focus on rebuilding and strengthening tenant relationships with a view to gaining incremental business and extending stable tenant leases; and (ii) outsource property management and other real estate property functions to lower the operating costs borne by the tenants. This cost reduction further improves tenant relationships and will increase the net operating income of the REIT's properties.

Slate Grocery REIT has established itself as both a leading and differentiated owner and operator of grocery-anchored properties in the U.S. The REIT's critical real estate infrastructure and strong credit tenants provide unitholders with durable cash flows and the potential for capital appreciation over the longer term.

NON-IFRS FINANCIAL MEASURES

We disclose a number of financial measures in this MD&A that are not measures determined in accordance with IFRS, including NOI, same-property NOI, FFO, FFO payout ratio, AFFO, AFFO payout ratio, adjusted earnings before interest, tax, depreciation and amortization ("Adjusted EBITDA") and the interest coverage ratio, in addition to certain measures on a per unit basis. We utilize these measures for a variety of reasons, including measuring performance, managing the business, capital allocation and the assessment of risk. Descriptions of why these non-IFRS measures are useful to investors and how management uses each measure are included in this MD&A. We believe that providing these performance measures on a supplemental basis to our IFRS results is helpful to investors in assessing the overall performance of our businesses in a manner similar to management. These financial measures should not be considered as a substitute for similar financial measures calculated in accordance with IFRS. We caution readers that these non-IFRS financial measures may differ from the calculations disclosed by other businesses, and as a result, may not be comparable to similar measures presented by others. Reconciliations of these non-IFRS measures to the most directly comparable financial measures calculated and presented in accordance with IFRS are included within this MD&A.

The definition of non-IFRS financial measures are as follows:

- NOI is defined as rental revenue less operating expenses, prior to straight-line rent, IFRIC 21, *Levies* ("IFRIC 21") property tax adjustments and adjustments for joint venture investments. Same-property NOI includes those properties owned by the REIT for each of the current period and the relevant comparative period excluding those properties under development. NOI margin is defined as NOI divided by revenue, prior to straight-line rent.
- FFO is defined as net income adjusted for certain items including transaction costs, change in fair value of properties, change in fair value of financial instruments, deferred income taxes, unit income (expense), adjustments for joint venture investments and IFRIC 21 property tax adjustments.
- AFFO is defined as FFO adjusted for straight-line rental revenue and sustaining capital, leasing costs and tenant improvements.
- FFO payout ratio and AFFO payout ratio are defined as distributions declared divided by FFO and AFFO, respectively.
- FFO per WA unit and AFFO per WA unit are defined as FFO and AFFO divided by the weighted average class U equivalent units outstanding, respectively.
- Adjusted EBITDA is defined as NOI less General and administrative expenses.
- Interest coverage ratio is defined as adjusted EBITDA divided by cash interest paid.
- Net asset value is defined as the aggregate of the carrying value of the REIT's equity, deferred income taxes and exchangeable units of subsidiaries.
- Proportionate interest represents financial information adjusted to reflect the REIT's equity accounted joint ventures on a proportionately consolidated basis at the REIT's ownership percentage of the related investment.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

At Slate, we believe the responsibility of a fiduciary is not limited to generating investment returns – it is about treating people, our partners and our environment with respect and setting an example for others through our conduct. In November 2021, Slate hired Bozena Jankowska as Global Head of Environmental, Social and Corporate Governance, who is responsible for implementing and advancing environmental, social and corporate governance ("ESG") practices and thought leadership across Slate and its investment activities in line with Slate's ESG policy.

Slate is committed to integrating ESG into its investment process, by identifying and managing issues that are material to each investment during its lifecycle. The consideration of ESG factors can be summarized as follows:

Environmental

Slate recognizes that climate change is the most pressing challenge facing the world today and that it has a role to play in delivering the change needed to reduce carbon emissions arising from its properties. Slate believes that managing climate change risks and opportunities brings key benefits which include managing regulatory and reputational risk, sharing costs and savings with tenants, reducing risk of stranded assets and enhanced asset value and desirability. By consistently managing environmental impacts and achieving efficiency gains, Slate believes there is an opportunity to own efficient and resilient buildings that serve our tenants, local communities, and the environment. For example, white roofs aid in the reduction of global warming by lowering energy consumption, greenhouse gas emissions and heat buildup in cities. As of today, approximately 7.6 million of GLA or 56% of the REIT's properties have been modified to white roofs. In addition, to further compliment the REIT's ongoing initiative to reduce energy and emissions, Slate continues to move forward with its plan to convert a minimum of five properties annually to LED lighting. In 2021, an additional six properties were converted to LED, bringing the total to 37 properties.

Social

Slate believes that by fostering strong relationships and collaboration with tenants and stakeholders at the property level, supports the creation of resilient, safe, and sustainable communities. In addition to our investment activities, as manager of the REIT, Slate is committed to integrating ESG throughout its own corporate operations by focusing on factors that are important to our employees and communities. This includes fostering a diverse and inclusive work environment, investing in the health, safety and well-being of our teams and engaging and supporting individual growth, professional development and mentorship.

Governance

Good governance drives everything that Slate does. Integrity, accountability, and trust are at the core of Slate's culture. Slate believes that integrating ESG practices into its management practices, processes and systems is key to the long-term success of its business and is aligned with its commitment to good business conduct and ethics.

To learn more about our ESG initiatives please visit our website: www.slategroceryreit.com.

RISKS AND UNCERTAINTIES

In addition to the risks and uncertainties included herein, the REIT's business is subject to a number of risks and uncertainties which are described in its most recently filed Annual Information Form for the year ended December 31, 2021, available on SEDAR at www.sedar.com. Additional risks and uncertainties not presently known to the REIT or that the REIT currently considers immaterial also may impair its business and operations and cause the price of the REIT's units to decline in value. If any of the noted risks actually occur, the REIT's business may be harmed and the financial condition and results of operations may suffer significantly. In that event, the trading price of the units could decline, and unitholders may lose all or part of their investment.

RECENT DEVELOPMENTS

The following is a summary of the key financial and operational highlights and recent developments for the REIT for the year ended December 31, 2021:

- The REIT acquired a total of 32 properties at attractive valuations, including a 25 grocery-anchored portfolio (the "Acquisition") for an aggregate purchase price of $468.5 million ($128 per square foot), at a weighted average capitalization of 7.8%. These acquisitions contributed 3.7 million square feet to the REIT's portfolio.

- The REIT set a record year of new leasing totaling 375,655 square feet at a 17.9% weighted average rental spread, resulting in a 93.6% occupancy rate and marking the REIT's sixth consecutive quarter of occupancy growth.

- Same-property NOI for the fourth quarter (comprised of 69 properties) increased by 2.9% over the comparative period, primarily driven by new leasing above market rental rates and increases in rental rates from re-leasing above average in-place rent of the properties. Same-property NOI for the trailing twelve month period ended December 31, 2021 (comprised of 60 properties) increased by 0.7% over the same period in the prior year. Including the impact of completed redevelopments, same-property NOI for the three month period ended December 31, 2021 increased by $1.0 million or 4.6% and same-property NOI for the trailing twelve month period ended December 31, 2021 increased by $1.9 million or 2.5%, over the respective comparative periods.

- Rental revenue for the fourth quarter was $38.3 million, which represents a $6.5 million increase over the same period in the prior year. The increase is primarily driven by acquisition of 32 grocery-anchored properties, increases in rental rates from re-leasing, and new leasing typically above in-place rent from December 31, 2020.

- NOI for the fourth quarter increased by $6.2 million from the third quarter of 2021 to $31.9 million. The increase is mainly due to the full quarter contribution of NOI from the acquisitions in the third quarter and uplifts in rental rates from new leasing typically above in-place rent. In addition, during the year ended December 31, 2021, the REIT executed ancillary revenue agreements at various properties within the portfolio which contributed approximately $0.2 million. The REIT continues to pursue a deep pipeline of additional opportunities.

- The REIT recognized net income of $20.2 million for the three month period ended December 31, 2021, which is a $1.1 million decrease compared to the same period in the prior year. The decrease is attributed to increases in interest and finance costs, partially offset by the aforementioned increases in NOI.
- FFO was $15.7 million for the quarter, which represents a $4.0 million increase from the same period in the prior year, primarily due to increases in NOI, partially offset by increases in cash interest paid.
- AFFO increased by $3.6 million from the comparative period to $13.3 million. The increase is primarily due to increases in FFO, partially offset by an increase in capital expenditures

PART II – LEASING AND PROPERTY PORTFOLIO

LEASING

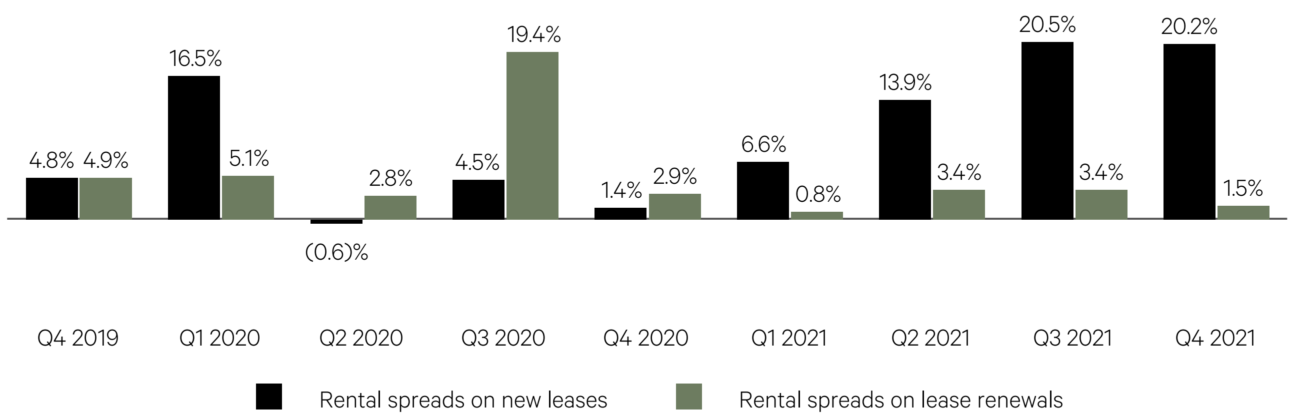
The REIT strives to ensure that its properties are well occupied with tenants who have space that allow them to meet their own business objectives. Accordingly, the REIT proactively monitors its tenant base with the objective to renew in advance of lease maturities, backfill tenant vacancies in instances where a tenant will not renew, or if there is an opportunity to place a stronger or more suitable tenant in the REIT's properties, management endeavors to find a suitable solution.

The following table summarizes the REIT's leasing activity for the four most recent quarters:

Square feet	Deal type		Q4 2021	Q3 2021	Q2 2021	Q1 2021
Less than 10,000	Renewal	Leases signed	36	43	29	29
		Total square feet	82,743	101,996	77,489	68,200
		Average base rent	$ 19.24	$ 16.57	$ 16.94	$ 18.64
		Rental spread	5.4%	5.4%	5.3%	0.3%
Greater than 10,000	Renewal	Leases signed	5	4	4	2
		Total square feet	181,288	94,535	44,999	28,351
		Average base rent	$ 9.25	$ 11.47	$ 13.50	$ 6.84
		Rental spread	(2.0%)	0.6%	(0.5%)	4.3%
Total renewals (square feet)			**264,031**	**196,531**	**122,488**	**96,551**
Less than 10,000	New lease	Leases signed	20	8	16	10
		Total square feet	39,776	15,940	28,960	17,049
		Average base rent	$ 18.70	$ 16.83	$ 17.31	$ 17.32
		Rental spread	23.3%	23.8%	10.9%	19.3%
Greater than 10,000	New lease	Leases signed	1	6	1	2
		Total square feet	10,845	213,350	20,010	29,725
		Average base rent	$ 13.00	$ 8.63	$ 7.50	$ 10.41
		Rental spread	5.9%	20.0%	25.0%	(3.2%)
Total new leases (square feet)			**50,621**	**229,290**	**48,970**	**46,774**
Total leasing activity (square feet)[1]			**314,652**	**425,821**	**171,458**	**143,325**

[1] Includes the REIT's share of joint venture investments.

Leasing Spreads



During the fourth quarter, management completed 264,031 square feet of lease renewals and 50,621 square feet of new leasing. The weighted average rental rate increase on renewals completed for leases less than 10,000 square feet was $0.99 per square foot or 5.4% higher than expiring rent. The weighted average base rent on renewals completed for leases greater than 10,000 square feet was $0.19 per square foot or 2.0% lower than expiring rent.

The weighted average base rent on all new leases completed greater than 10,000 square feet was $13.00 per square foot, which is $0.72 per square foot or 5.9% higher than the weighted average in-place rent for comparable space across the portfolio. The weighted average base rent on all new leases completed less than 10,000 square feet was $18.70, which is $3.53 per square foot or 23.3% higher than average in-place rent.

Lease maturities

The REIT generally enters into leases with initial terms to maturity between 5 and 10 years with our grocery-anchor tenants. The initial terms to maturity for non-anchor space tend to be of a shorter duration between 3 and 5 years. The weighted average remaining term to maturity of the REIT's grocery-anchor and non-grocery-anchor tenants as at December 31, 2021 was 5.2 years and 4.1 years, respectively, not including tenants on month-to-month leases. On a portfolio basis, the weighted average remaining term to maturity is 4.7 years.

The following table summarizes the composition of the remaining term to maturity of the REIT's leases at December 31, 2021:

	Weighted average term to maturity	GLA [1]	GLA %
Grocery-anchor	5.2	6,230,582	47.3%
Non-anchor	4.1	5,833,806	44.3%
Total	**4.7**	**12,064,388**	**91.6%**
Month-to-month		265,236	2.0%
Vacant		844,497	6.4%
Total GLA		**13,174,121**	**100.0%**

[1] Includes the REIT's share of joint venture investments.

Occupancy is determined based on lease commencement. The following table shows the change in occupancy during the three month period ended December 31, 2021:

	Total GLA [1]	Occupied GLA [1 2]	Occupancy
September 30, 2021	13,174,145	12,315,936	93.5%
Leasing changes	—	13,688	—%
Re-measurements	(24)	—	—%
December 31, 2021	**13,174,121**	**12,329,624**	**93.6%**

[1] Includes the REIT's share of joint venture investments.
[2] Leasing changes include new leases, lease buyouts, expirations and terminations.

Occupancy has increased 0.1% to 93.6% from September 30, 2021 due to 50,621 square feet of new leasing, partially offset by shop-space vacancies. Notable new deals during the quarter included Aaron's at Dorman Centre, BluRose Studios at Harper Hills Commons, and Doctors Urgent Care at Windmill Plaza, for a total of 17,590 square feet.

The following table shows the change in occupancy during the year ended December 31, 2021:

	Total GLA [1]	Occupied GLA [1 2]	Occupancy
December 31, 2020	9,554,679	8,878,017	92.9%
Acquisitions	3,654,196	3,363,627	92.1%
Dispositions	(50,000)	(50,000)	100.0%
Leasing changes	—	137,980	—%
Expansions	15,000	—	—%
Re-measurements	246	—	—%
December 31, 2021	**13,174,121**	**12,329,624**	**93.6%**

[1] Includes the REIT's share of joint venture investments.
[2] Leasing changes include new leases, lease buyouts, expirations and terminations.

Occupancy has increased by 0.7% to 93.6% from December 31, 2020 due to 137,980 square feet of net new leasing and the acquisition of 32 grocery-anchored properties at a weighted average occupancy of 92.1%. New leasing comprised of Urban Air at Bloomingdale Plaza, Total Wine & More at Cordova Commons, and Crunch Fitness at Stonefield Square, totaling 108,914 square feet.

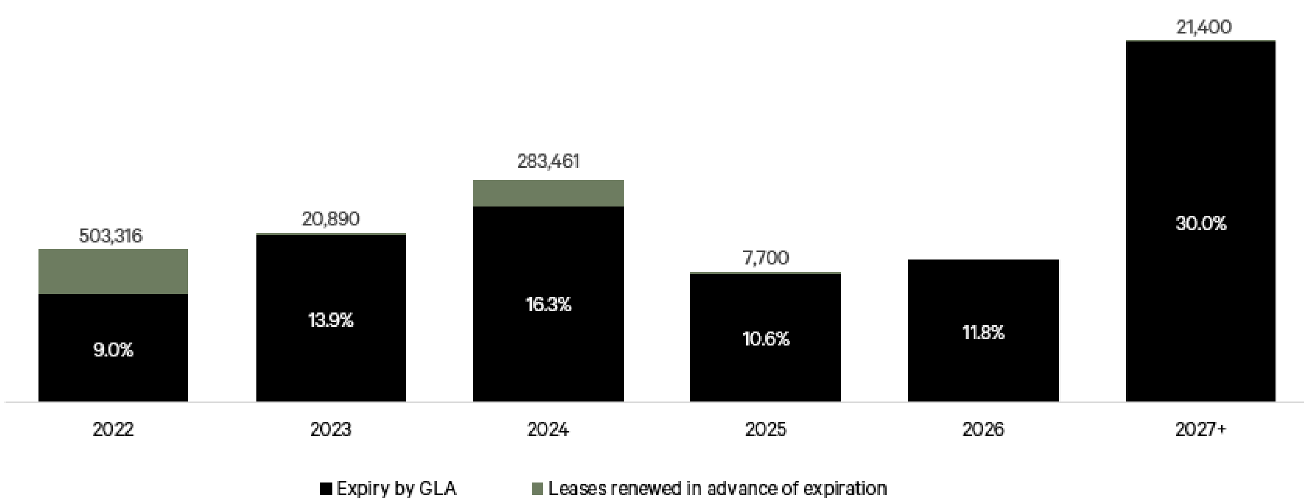
The following is a profile of the REIT's leases excluding the impact of tenant extension options:

	Grocery-anchor			Non-anchor			Total		
GLA expiration	GLA	Percentage of portfolio	Average in-place rent	GLA	Percentage of portfolio	Average in-place rent	GLA	Percentage of portfolio	Average in-place rent
Month-to-month	—	—%	$ —	265,236	2.0%	$ 14.53	265,236	2.0%	$ 14.53
2022	388,314	2.9%	6.87	797,372	6.1%	14.25	1,185,686	9.0%	11.83
2023	823,349	6.2%	7.20	1,003,395	7.6%	14.79	1,826,743	13.8%	11.37
2024	1,282,494	9.8%	8.57	862,840	6.5%	16.08	2,145,334	16.3%	11.59
2025	662,224	5.0%	8.32	739,843	5.6%	14.20	1,402,067	10.6%	11.42
2026	917,848	7.0%	9.26	637,307	4.9%	15.44	1,555,155	11.9%	11.80
2027 and later	2,156,352	16.4%	9.96	1,793,049	13.6%	13.21	3,949,401	30.0%	11.44
Vacant	—	—%	N/A	844,497	6.4%	N/A	844,497	6.4%	N/A
Total / weighted average [1]	**6,230,581**	**47.3%**	**$ 8.84**	**6,943,539**	**52.7%**	**$ 14.42**	**13,174,119**	**100.0%**	**$ 11.60**

[1] Includes the REIT's share of joint venture investments.

The REIT endeavors to proactively lease upcoming expiries in advance of maturity to de-risk the portfolio, maintain high occupancy levels, ensure a proper mix of tenants at each property and certainty in cash flows. The following is a table of lease expiries at December 31, 2021 and pre-existing future maturities that were leased in advance during 2021:

Lease Expiries and Pre-existing Future Maturities



The following table summarizes remaining expiries:

	December 31, 2021		September 30, 2021		June 30, 2021		March 31, 2021	
GLA Expiration	Number of tenants	GLA	Number of tenants	GLA	Number of tenants	GLA	Number of tenants	GLA
Anchors	6	388,314	—	—	—	—	—	—
Non-anchors	286	797,372	48	155,667	81	225,909	129	374,499
Remaining expiries [1]	**292**	**1,185,686**	**48**	**155,667**	**81**	**225,909**	**129**	**374,499**
Percentage of occupied portfolio [1]		**9.6%**		**1.3%**		**2.5%**		**3.8%**

[1] Includes the REIT's share of joint venture investments.

At December 31, 2021, remaining 2022 expiries represents 9.6% of the portfolio's occupied GLA, with 797,372 square feet related to non-anchor tenants. Comparatively, at September 30, 2021 remaining 2021 expiries totaled 155,667 or 1.3% of the occupied gross leasable area for the portfolio. At June 30, 2021 remaining 2021 expires totaled 225,909 equating to 2.5% of the occupied portfolio. At March 31, 2021, remaining 2021 expiries totaled 374,499 equating to 3.8% of the occupied portfolio.

Retention rates

The asset management team strives to maintain strong relationships with all tenants, especially the REIT's grocery-anchor tenants. In certain cases, management has not sought renewals with larger tenants, including in cases where a better user is available, or a redevelopment opportunity exists. Management believes that this success is a result of the strong relationships maintained with tenants and the REIT's underwriting which, in part, considers the relative strength of grocery-anchors in the respective market, recent capital investment by grocers and, where possible, the profitability of the store. Management expects a lower retention rate for our non-grocery-anchor tenants as a result of the dynamics and natural turnover of certain businesses over time which gives us opportunity to re-lease space, potentially at higher rates, and improve overall credit and tenant mix.

The following are the REIT's retention rates for the three and twelve month periods ended December 31, 2021, and the year ended December 31, 2020 for both grocery-anchor and non-grocery-anchor tenants:

Retention rate [1]	Three months ended December 31, 2021	Year ended December 31, 2021	Year ended December 31, 2020
Grocery-anchor	100.0%	87.8%	97.8%
Non-grocery-anchor	87.8%	99.4%	87.7%
Net total / weighted average [2]	**93.6%**	**93.5%**	**92.8%**

[1] Retention rate excludes instances where management has not sought a renewal, primarily related to redevelopment or property portfolio management opportunities.
[2] Includes the REIT's share of joint venture investments.

The following are the REIT's incremental change in base rent for the four most recent quarters:

	For the three months ended,			
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Renewals				
Square feet	264,031	196,531	122,488	96,551
Expiring rent per square foot [1]	$ 12.20	$ 13.65	$ 15.16	$ 15.05
Rent spread per square foot [1]	0.18	0.47	0.51	0.12
Vacated				
Square feet [2]	33,658	54,650	32,336	40,651
Expiring rent per square foot [1]	$ 16.08	$ 12.67	$ 15.90	$ 20.42
New				
Square feet	50,621	229,290	48,970	46,774
New rent per square foot [1]	$ 17.48	$ 9.20	$ 13.30	$ 12.93
Total base rent retained [3]	**$ 2,680**	**$ 1,990**	**$ 1,343**	**$ 623**
Incremental base rent [3]	**$ 932**	**$ 2,202**	**$ 714**	**$ 616**

[1] Calculated on a weighted average basis.
[2] Adjusted for lease buyouts and vacancies due to redevelopment.
[3] Includes the REIT's share of joint venture investments.

In-place and market rents

The REIT's leasing activity during the three month period ended December 31, 2021 is as follows:

	GLA	Number of tenants	Weighted average expiring rent	Weighted average new rent
Renewed leases	264,031	41	$ 12.20	$ 12.38
New leases	50,621	21	N/A	17.48
Total / weighted average	**314,652**	**62**	**$ 12.20**	**$ 13.20**
Less, leases not renewed / vacated during term [1]	(33,658)	(17)	$ 16.08	N/A
Net total / weighted average [2]	**280,994**	**45**	**N/A**	**$ 13.20**

[1] Adjusted for lease buyouts and vacancies due to redevelopment.
[2] Includes the REIT's share of joint venture investments.

The REIT's leasing activity during the year ended December 31, 2021 is as follows:

	GLA	Number of tenants	Weighted average expiring rent	Weighted average new rent
Renewed leases	679,601	152	$ 13.56	$ 13.87
New leases	375,655	64	N/A	11.31
Total / weighted average	**1,055,256**	**216**	**$ 13.56**	**$ 12.96**
Less, leases not renewed / vacated during term [1]	(161,295)	(60)	$ 15.98	N/A
Net total / weighted average [2]	**893,961**	**156**	**N/A**	**$ 12.96**

[1] Adjusted for lease buyouts and vacancies due to redevelopment.
[2] Includes the REIT's share of joint venture investments.

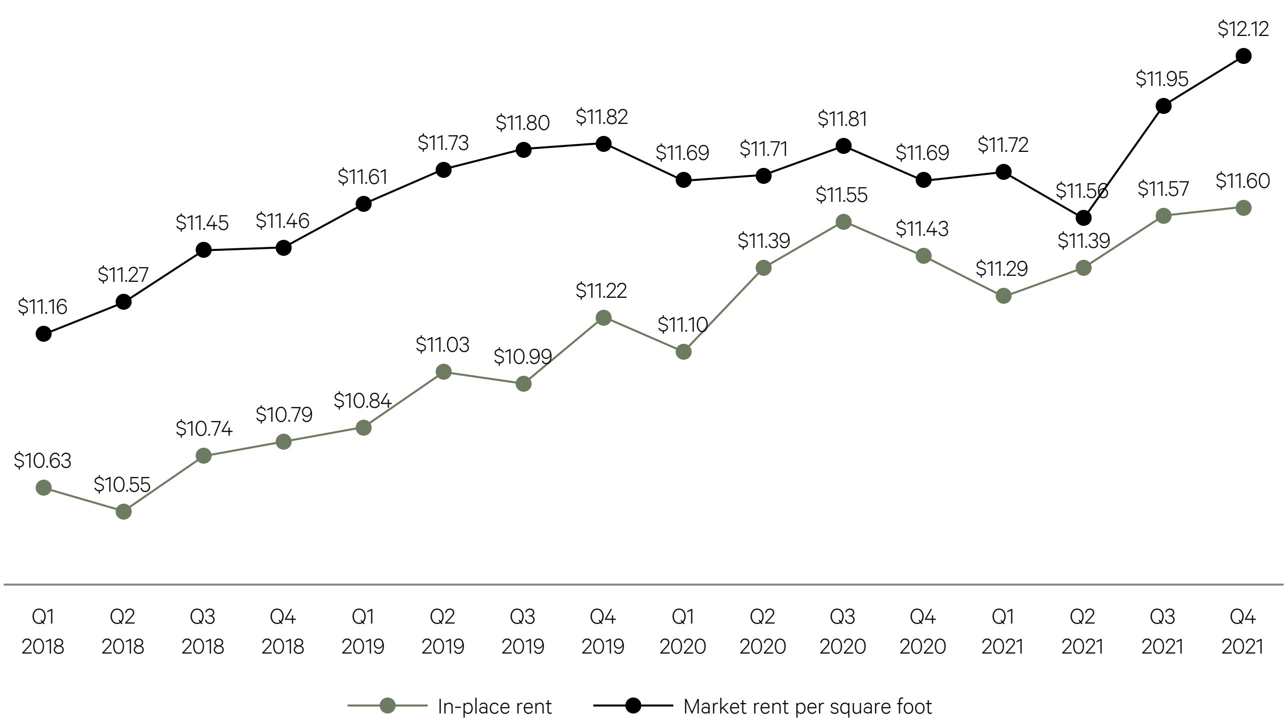
Net rental rates

The following table is a summary of in-place rent for the eight most recent financial quarters of the REIT:

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Grocery rent	$ 8.84	$ 8.81	$ 8.39	$ 8.43	$ 8.38	$ 8.35	$ 8.28	$ 8.18
Shop space rent	14.42	14.39	14.61	14.27	14.73	14.98	14.64	14.03
Total [1]	**$ 11.60**	**$ 11.57**	**$ 11.39**	**$ 11.29**	**$ 11.43**	**$ 11.55**	**$ 11.39**	**$ 11.10**
Market rent [2]	**$ 12.12**	**$ 11.95**	**$ 11.56**	**$ 11.72**	**$ 11.69**	**$ 11.81**	**$ 11.71**	**$ 11.69**

[1] Includes the REIT's share of joint venture investments.
[2] Market rent represents the REIT's estimate of market rents for its properties on a weighted average basis. Market rents are determined based, in part, on broker feedback, market transactions and completed deals.

In-place Rent Versus Estimated Market Rent



The REIT leases to high-quality tenants in well located centres typically below the average market rent for U.S. strip centres, allowing for increased value in the portfolio through rental rate growth.

ACQUISITIONS

The REIT explores acquisition opportunities as they arise but will pursue only acquisitions that management believes are accretive to net asset value per unit in the medium-term relative to its long-term cost of capital.

During the year ended December 31, 2021, the REIT acquired the following properties:

Property	Purchase date	Location	Purchase price	SF	Price per SF	Anchor tenant
Bells Fork Square	February 10, 2021	Greenville, North Carolina	$ 9,250	71,666	$ 129	Harris Teeter
Parkway Station	February 10, 2021	Warner Robins, Georgia	7,892	94,317	84	Kroger
Westin Center	February 10, 2021	Fayetteville, North Carolina	8,091	66,890	121	Food Lion
Tanglewood Commons	February 10, 2021	Clemmons, North Carolina	15,089	78,520	192	Harris Teeter
Mission Hills Shopping Center	February 10, 2021	Naples, Florida	13,863	85,078	163	Winn-Dixie
Glenlake Plaza	July 15, 2021	Indianapolis, Indiana	8,500	104,679	81	Kroger
Bloomingdale Plaza outparcel	July 29, 2021	Brandon, Florida	582	—	—	Urban Air
Prairie Point	September 9, 2021	Aurora, Illinois	15,250	91,535	167	Mariano's
Tops Portfolio [1]	September 22, 2021	New York, Ohio and Georgia	136,100	1,445,468	94	Tops Markets and Kroger
Tom Thumb Portfolio [2]	September 22, 2021	Texas, Florida and California	137,620	948,098	145	Tom Thumb, Walmart and Raley's
Other Grocery Portfolio [2]	September 22, 2021	New York and Indiana	116,280	667,946	174	Stop & Shop, Price Chopper, Acme Markets, and Strack & Van Til
Total / weighted average			**$ 468,517**	**3,654,197**	**$ 128**	

[1] As a result of the acquisition of the management rights and other factors it was determined that the REIT obtained control with respect to its 90.0% investment in Tops Portfolio.

[2] As a result of the acquisition of the assets and other factors the REIT is deemed to have joint control over relevant decisions and activities of the joint venture.

In aggregate, the Acquisition represents a weighted average capitalization rate of 7.8% or $128 per square foot.

DISPOSITION

On April 1, 2021, the REIT disposed of a property outparcel at 11 Galleria in Greenville, North Carolina for $4.1 million. There are no fees incurred by the REIT to the Manager in relation to the disposition of properties or outparcels.

PROPERTY PROFILE

Professional management

Through professional management of the portfolio, the REIT intends to ensure its properties portray an image that will continue to attract consumers as well as provide preferred locations for its tenants. Well-managed properties enhance the shopping experience and ensure customers continue to visit the centres. Professional management of the portfolio has enabled the REIT to maintain a high occupancy level, currently 93.6% at December 31, 2021 (September 30, 2021 – 93.5%, June 30, 2021 – 93.2%, March 31, 2021 – 93.1%, December 31, 2020 – 92.9%).

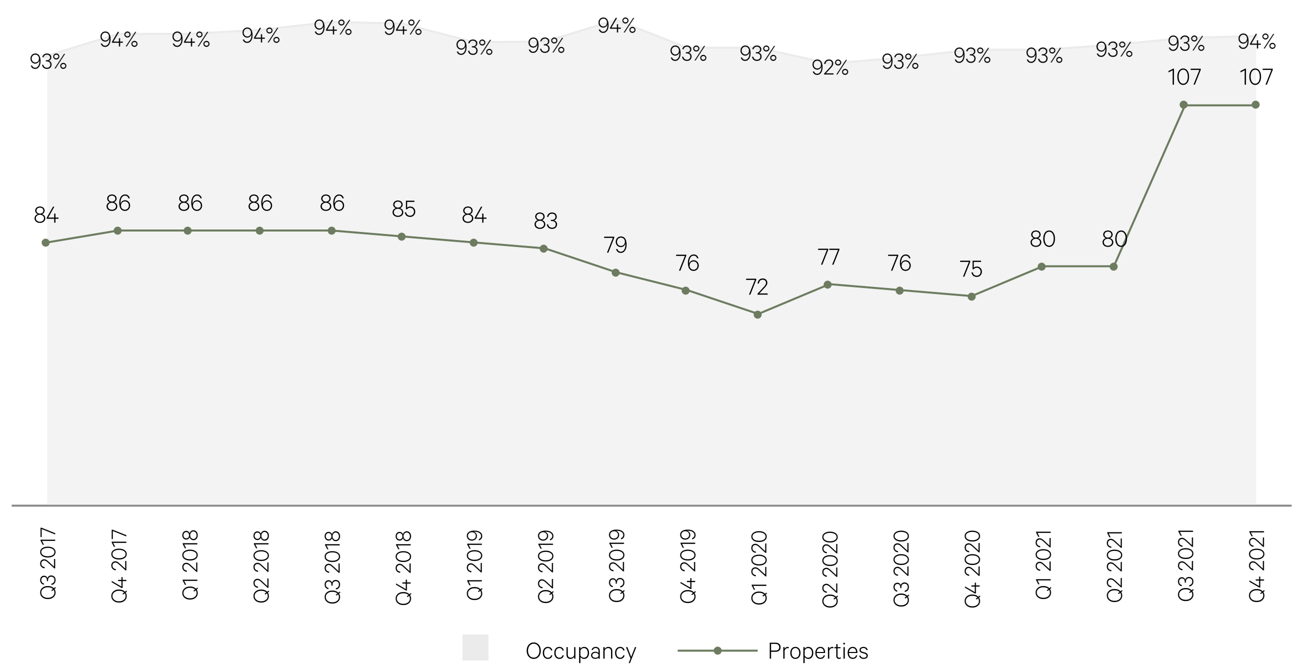
Occupancy has increased by 0.1% to 93.6% from September 30, 2021, mainly due to 50,621 square feet of new leasing. Notable new deals during the quarter included Aaron's at Dorman Centre, BluRose Studios at Harper Hills Commons, and Doctors Urgent Care at Windmill Plaza, for a total of 17,590 square feet.

The following table shows the occupancy rate of the REIT's portfolio:

	2017		2018				2019				2020				2021			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Properties [1]	84	86	86	86	86	85	84	83	79	76	72	77	76	75	80	80	107	107
Occupancy [1]	92.6%	93.7%	93.7%	93.9%	94.3%	94.2%	93.3%	93.3%	94.4%	93.0%	92.8%	92.2%	92.5%	92.9%	93.1%	93.2%	93.5%	93.6%

[1] Includes the REIT's share of joint venture investments.

Historical Occupancy Rates



Geographic overview

The REIT's portfolio is geographically diversified. As of December 31, 2021, the REIT's 107 properties were located in 23 states with a presence in 47 MSAs. The REIT has 54 properties, or 50.5% of the total portfolio, located in the U.S. sunbelt region. Markets within this region benefit from strong underlying demographic trends, above average employment and population growth. This provides the REIT opportunities to progressively drive operational efficiencies and sustainable growth.

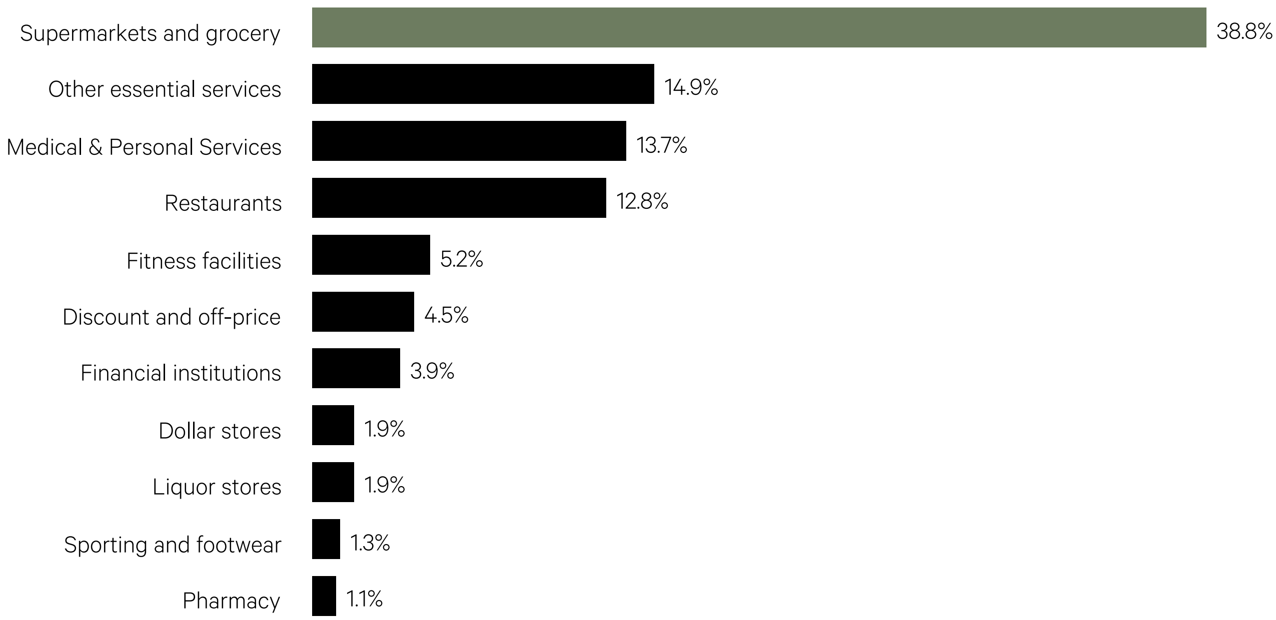
The following is a summary of the geographic location and relative dispersion of the REIT's property portfolio:

State	Number of assets	Total SF	Occupied SF	Percentage of revenue	Occupancy
New York	12	1,688,940	1,485,286	13.9%	87.9%
Florida	13	1,536,507	1,468,732	13.0%	95.6%
North Carolina	14	1,517,133	1,434,997	11.5%	94.6%
Pennsylvania	6	1,024,017	976,311	7.3%	95.3%
Texas	9	832,038	780,313	6.6%	93.8%
South Carolina	5	845,283	813,900	6.1%	96.3%
Georgia	8	831,316	797,563	5.9%	95.9%
Minnesota	5	566,782	538,088	4.3%	94.9%
Virginia	5	479,835	461,225	4.2%	96.1%
Michigan	5	603,413	566,377	3.9%	93.9%
Tennessee	5	526,641	520,403	3.0%	98.8%
Illinois	4	408,776	351,649	3.0%	86.0%
Ohio	3	541,239	501,245	2.9%	92.6%
North Dakota	2	261,578	227,122	2.5%	86.8%
West Virginia	2	387,162	375,102	2.3%	96.9%
Indiana	2	233,993	200,564	1.7%	85.7%
California	1	194,873	170,316	1.6%	87.4%
Maryland	1	112,274	104,514	1.3%	93.1%
New Hampshire	1	151,946	141,640	1.2%	93.2%
Wisconsin	1	123,028	123,028	1.1%	100.0%
Utah	1	127,507	124,353	1.0%	97.5%
Colorado	1	98,975	93,279	1.0%	94.2%
Kentucky	1	80,866	73,617	0.7%	91.0%
Total [1]	**107**	**13,174,121**	**12,329,624**	**100.0%**	**93.6%**

[1] Includes the REIT's share of joint venture investments.

Tenant categories

As of December 31, 2021, the REIT has the following tenant categories within the portfolio, allocated by base rent:



The REIT's portfolio of tenants is a diversified mix of leading grocers, national brands and strong regional performers complemented by local operators providing needed services and goods to their local communities. These retailers provide significant non-discretionary e-commerce defensive goods. The REIT's properties, which are located in well-established neighborhoods, allow grocery-anchored property real estate and economics of last mile delivery to be viable.

Anchor tenants

The REIT endeavors to own properties with anchors who are dominant in their respective regions in terms of operational scale and sales. Accordingly, the REIT's anchor tenants are often either the first or second dominant store in their respective area in terms of market share. The following table identifies the REIT's largest anchor tenants including their annual minimum rent, the number of stores, GLA as a percentage of the total portfolio and the percentage of base rent. The Kroger Co. represents the REIT's largest tenant by base rent with a total of 26 stores and 8.1% of base rent.

The largest 15 tenants account for 46.5% of total GLA and 37.8% of base rent as follows:

Parent company	Store brands	Grocery	Stores	% GLA	Base rent	% Base rent
The Kroger Co.	Kroger, Pick 'n Save, Harris Teeter, Mariano's	Y	26	11.3%	$ 11,636	8.1%
Walmart, Inc.	Wal-Mart, Sam's Club	Y	9	10.1%	8,918	6.2%
Koninklijke Ahold Delhaize N.V.	Stop & Shop, GIANT, Food Lion, Hannaford	Y	10	3.8%	6,486	4.5%
Albertsons Companies, Inc.	Jewel Osco, Acme, Tom Thumb	Y	9	4.1%	4,529	3.2%
Tops Friendly Markets	Tops Markets	Y	8	3.4%	4,466	3.2%
Publix Super Markets, Inc.	Publix	Y	11	3.8%	4,097	2.8%
United Natural Foods, Inc.	Cub Foods, Shop n' Save, County Market	Y	4	1.6%	2,084	1.4%
Dollar Tree, Inc.	Dollar Tree, Family Dollar	N	20	1.5%	2,071	1.4%
Coborn's Inc.	Cash Wise	Y	2	0.9%	2,038	1.4%
Southeastern Grocers	Winn Dixie	Y	5	1.5%	1,687	1.2%
TJX Companies	Marshalls, T.J. Maxx, HomeGoods	N	6	1.2%	1,503	1.0%
Beall's, Inc.	Beall's, Burke's	N	5	1.2%	1,342	0.9%
Alex Lee Inc.	Lowe's Foods	Y	2	0.7%	1,249	0.9%
Weis Markets, Inc.	Weis Markets	Y	2	0.9%	1,223	0.8%
Golub Corporation	Market 32	Y	1	0.5%	1,180	0.8%
Total [1]			**120**	**46.5%**	**$ 54,509**	**37.8%**

[1] Includes the REIT's share of joint venture investments.

Development

The REIT's redevelopment program is focused on growing income and unlocking value by revitalizing tenant uses and creating a better customer experience at select properties. Redevelopment is generally considered to begin when activities that change the condition of the property commence. Redevelopment ceases when the asset is in the condition and has the capability of operating in the manner intended, which is generally at cessation of construction and tenanting. For purposes of reporting same-property NOI, redevelopment assets are excluded from the same-property portfolio in the period in which they are re-classified as a redevelopment property and are excluded until they are operating as intended in all of both the current and comparative periods. The carrying value of redevelopment properties includes the acquisition cost of property and direct redevelopment costs attributed to the project. The REIT does not capitalize interest for its projects under development. Interest expense is recognized as incurred in income which is not comparable to other REITs or other corporations that capitalize interest.

The REIT has classified the following properties as redevelopment properties:

Property	Nature of redevelopment	Expected completion	Estimated incremental NOI [1]	Estimated yield on cost ("YOC")	Pre-leased percentage	Estimated investment		
						Incurred	Remaining	Total
Eastpointe Shopping Center	Anchor repositioning	Q2 2022	$ 523	9.6%	100.0%	$ 4,091	$ 1,332	$ 5,423
Stonefield Square	Anchor repositioning	Q2 2022	466	38.0%	100.0%	368	858	1,226
Southgate Crossing	Junior anchor repositioning	Q2 2022	198	7.8%	78.4%	196	2,330	2,526
Wedgewood Commons	Anchor repositioning	Q4 2022	969	7.2%	85.6%	8,729	4,771	13,500
Total			**$ 2,156**	**9.5%**		**$ 13,384**	**$ 9,291**	**$ 22,675**

Completed redevelopment projects

Property	Nature of redevelopment	Completed	Estimated incremental NOI [1]	YOC	Weighted Average YOC	Leased percentage	Total invested
Westminster Plaza [2]	Anchor repositioning	Q1 2021	$ 898	25.4%	5.9%	100.0%	$ 3,531
Windmill Plaza [3]	Anchor repositioning	Q2 2021	404	7.1%	2.6%	93.9%	5,652
Mapleridge Center	Anchor repositioning	Q2 2021	771	13.8%	5.1%	90.7%	5,600
Battleground Village	Anchor repositioning	Q3 2021	62	15.9%	0.4%	100.0%	390
Total			**$ 2,135**	**14.1%**	**14.0%**		**$ 15,173**

[1] Calculated on a trailing twelve month basis as of December 31, 2021.
[2] Amounts represent development for primary anchor at the property.
[3] Amount at the REIT's share of its joint venture investment.

Redevelopment capital spent during the three and twelve month periods ended December 31, 2021 is as follows:

	Three months ended December 31, 2021	Year ended December 31, 2021
Wedgewood Commons [1]	$ 976	$ 7,235
Mapleridge Center	114	4,678
Eastpointe Shopping Center	45	3,808
Westminster Plaza [1]	403	2,878
Stonefield Square	197	367
Other redevelopment costs [1 2]	1,165	5,109
Total redevelopment	**$ 2,900**	**$ 24,075**

[1] Relates to new outparcel development as well as work completed in the planning stages for redevelopment projects.
[2] Amount at the REIT's share of its joint venture investment.

Stonefield Square is an 80,000 square foot shopping centre formerly anchored by The Fresh Market. The centre is located in a dominant retail trade area on the east side of Louisville, Kentucky with close proximity to downtown and surrounded by dense residential communities. This asset is centrally located along Shelbyville Road, the primary retail and commercial artery in Middletown, where average household income is approaching $0.1 million. The Fresh Market vacated a 20,000 square foot box at the end of their lease term in December 2019, presenting an opportunity for the REIT to backfill the space at higher rental rates with a longer weighted average lease term. In August 2021, the REIT signed a 10-year lease with Crunch Fitness, a full-service gym operator, for 26,000 square feet at a double digit rental rate spread. In addition to the former Fresh Market box, Crunch Fitness is leasing four incremental units, two of which were previously vacant. In connection with backfilling the centre's anchor tenant, the REIT is investing significant capital to upgrade the building and common area facilities including improved signage, parking lot, landscaping and LED lighting upgrades.

Eastpointe Shopping Center is a regional shopping destination in Clarksburg, West Virginia anchored by a Kroger which includes a former K-mart box and in line shop tenants. The centre is located in the area's most prominent retail node at the junction of two major state highways. Kroger has executed a 25-year term lease to relocate from their 55,000 square foot box and build a brand new 83,000 square foot store in the former K-Mart premises with rent commencement in the fourth quarter of 2020. Construction commenced in the first quarter of 2020 and was completed in the first quarter of 2021. In the third quarter of 2020 the REIT executed a 10-year term lease with Hobby Lobby to occupy the prior 55,000 square foot Kroger box. Hobby Lobby construction and rent commencement is expected in the second quarter of 2022. In addition to the construction of Kroger and Hobby Lobby, the REIT completed common area refurbishments to include the façade, parking lot, landscaping, and LED lighting upgrades, as required by the anchor leases. The REIT expects to invest $5.4 million in capital to complete the tenant build outs and common area refurbishments. Kroger's new store opened to the public on January 20, 2021 and is now the largest Kroger in the state of West Virginia.

Southgate Crossing is a 160,000 square foot shopping centre located in Minot, North Dakota and is anchored by the market-leading Cash Wise Foods. Gordman's, which is an off-price department chain owned by Stage Stores, formerly occupied the 51,000 square foot junior anchor box until the third quarter of 2020. Management backfilled 16,000 square feet at higher rental rates and improved tenant quality in the first quarter of 2021, securing a 10-year lease with Harbor Freight Tools, a national discount tool and equipment retailer. Harbor Freight opened in June of 2021 with rent commencing in the third quarter of 2021. The REIT is in active discussions with national tenants to occupy the remaining 34,000 square feet.

Wedgewood Commons is a 153,000 square foot shopping centre anchored by a Publix supermarket. The shopping centre is strategically located on U.S. Route 1 Highway at Indian Road, in Stuart, Florida. Key tenants in the development include Beall's Outlet, Dollar Tree and Harbor Freight Tools. The REIT has finalized a 20-year term lease to construct a new 47,000 square foot flagship Publix grocery store. To coincide with the new Publix grocery store, the REIT has secured a 10-year lease extension to relocate and expand the Beall's Outlet to 30,000 square feet which will include a Beall's Home Centric concept store. Furthermore, the REIT is negotiating with several junior anchor prospects to lease the remaining vacancy within the shopping centre. The net result will increase GLA to approximately 166,000 square feet and the weighted average lease term from 3.7 years to 10.8 years. In addition to the construction of the Publix and Beall's Outlet and Home Centric, the REIT will complete an extensive common area refurbishment. The REIT expects to invest $13.5 million in redevelopment, with Publix opening and completion of the overall project by the end of the 2022 year.

Completed redevelopment projects

Battleground Village is a 73,000 square foot property located in Greensboro, North Carolina. Formerly anchored by Earth Fare, the property is well situated at one of the busiest thoroughfares in the MSA. In 2020, Management engaged in a strategic releasing effort that resulted in a 15-year lease with Aldi, which has a significantly higher grade credit. There is limited capital investment, which totals $0.4 million, and relates to parking lot and lighting upgrades. Aldi opened in the third quarter of 2021.

Windmill Plaza is a grocery-anchored shopping centre located in Sterling Heights, Michigan, in a joint-venture partnership with The Kroger Company. The shopping centre includes a brand new 129,000 square foot Kroger Marketplace, an improved in-line façade and a completely redesigned parking lot, landscaping and lighting system. Executed leases include a 25-year ground lease with Kroger as the anchor tenant and junior anchor tenants which include Edge Fitness for 37,000 square feet and Pet Supplies Plus for 8,000 square feet. The property is occupied at 93.9%. Kroger and Edge Fitness commenced operations in January 2020.

Mapleridge Center is a 115,000 square foot community shopping centre strategically located along White Bear Avenue within the main retail node in Maplewood, Minnesota. The centre was acquired in the third quarter of 2017 and at the time was anchored by a Rainbow Foods grocery outlet store. Management strategically terminated the anchor tenant in the fourth quarter of 2019 and signed a lease with Hy-Vee to take the former Rainbow Foods premises and an additional unit which is used as a liquor store. As part of the new grocery and liquor store lease, the REIT completed a significant capital investment in the centre totaling $5.6 million. In the first quarter of 2020, the grocery anchor lease was executed with rent commencement in the first quarter of 2021. The Hy-Vee liquor store opened to the public on December 18, 2020 and the grocery store opened June 2021.

Westminster Plaza is a 99,000 square foot shopping centre formerly anchored by Safeway. The centre is located seven miles immediately north of downtown Denver with direct access to multiple major highways. This asset experiences heavy traffic volumes along Federal Boulevard, a primary retail and commercial roadway in Westminster, Colorado where population density is approximately 150,000 in a 3-mile radius. Additional density is forthcoming due to a community gentrification project being led by the City of Westminster. The plan is centralized around a recently completed light-rail transit station located a quarter mile from the property and the planned redevelopment of the surrounding land and industrial property into single and multi-family residential. Safeway vacated a 56,000 square foot box at the end of their lease term in December 2019. The REIT re-leased the vacant anchor space to VASA Fitness, a regional full-service gym operator. The deal saw both parties invest significant capital into the premises and shopping centre and enabled the REIT to grow NOI and weighted average lease term significantly. VASA fitness opened in the first quarter of 2021. The REIT also completed the development of a pad, which includes a new 7,500 square foot building with Chipotle, Dunkin' Donuts, Buffalo Wild Wings and Tropical Smoothie in operation.

IFRS FAIR VALUE

The REIT's property portfolio at December 31, 2021 had an estimated IFRS fair value of $1.6 billion, with a weighted average capitalization rate of 7.10% and on a proportionate basis, the fair value is $1.9 billion. Overall, the average estimated IFRS value per square foot of the REIT's portfolio is $144.

The following table presents a summary of the capitalization rates used to estimate the fair value of the REIT's properties:

Direct capitalization rates	December 31, 2021	December 31, 2020
Minimum [1]	5.75%	6.00%
Maximum [1]	13.00%	9.50%
Weighted average [1]	7.10%	7.34%

[1] Includes the REIT's share of joint venture investments.

The December 31, 2021 weighted average capitalization rate decreased to 7.10% from 7.34% at December 31, 2020. The decrease in the weighted average capitalization rate is driven primarily by increased buyer demand for grocery-anchored strip centres and value-add asset management activities which includes anchor tenant renewals and repositionings, tenant credit enhancement through strategic leasing, capital investments and improvements.

The fair value of properties is measured individually without consideration to their aggregate value on a portfolio basis. No consideration is given to diversification benefits related to single property tenant risk and geography, the value of assembling a portfolio or to the utilization of a common management platform, amongst other benefits. As a result, the fair value of the REIT's properties taken in aggregate may differ from the fair value of properties measured individually in the REIT's consolidated statements of financial position. Depending on the duration and impacts of the COVID-19 pandemic, certain aspects of the REIT's operations could be affected, including rental and occupancy rates, demand for retail space, capitalization rates, and the resulting value of the REIT's properties. Based on the REIT's operations to date, property valuations have not been materially impacted by the COVID-19 pandemic. The REIT believes property valuations are appropriate as at December 31, 2021.

The change in properties is as follows:

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Beginning of the period	$ 1,608,040	$ 1,274,175	$ 1,277,180	$ 1,288,536
Acquisitions	192	—	234,280	91,785
Capital expenditures	1,238	839	4,688	2,741
Leasing costs	494	293	1,563	1,341
Tenant improvements	700	526	2,175	3,409
Development and expansion capital [1]	2,703	2,274	23,708	6,558
Straight-line rent	(104)	375	345	1,556
Dispositions	—	(20,385)	(4,100)	(133,635)
IFRIC 21 property tax adjustment	5,418	5,568	1,526	802
Change in fair value [2]	(10,026)	13,515	67,290	14,087
End of the period [1]	**$ 1,608,655**	**$ 1,277,180**	**$ 1,608,655**	**$ 1,277,180**
Joint venture investment properties	293,400	10,845	293,400	10,845
End of the period, including joint venture investments [1]	**$ 1,902,055**	**$ 1,288,025**	**$ 1,902,055**	**$ 1,288,025**

[1] The fair value of the REIT's properties under redevelopment for the year ended December 31, 2021 is $111.9 million (2020 – $95.4 million).
[2] Change in fair value includes impacts due to valuation parameters, cash flows and accounting adjustments for IFRIC 21 property tax and straight-line rent.

The following table is a reconciliation of the fair value of the REIT's properties using a non-GAAP measure. The non-GAAP measure includes figures that are recorded as an equity investment, information that is not explicitly disclosed or presented in the consolidated financial statements for the three and twelve month periods ended December 31, 2021.

	Three months ended December 31, 2021			Three months ended December 31, 2020		
	Consolidated	Joint venture investments	Proportionate Share (Non-GAAP)	Consolidated	Joint venture investments	Proportionate Share (Non-GAAP)
Beginning of the period	$ 1,608,040	$ 273,802	$ 1,881,842	$ 1,274,175	$ 11,042	$ 1,285,217
Acquisitions	192	(1,726)	(1,534)	—	—	—
Capital expenditures	1,238	39	1,277	839	—	839
Leasing costs	494	100	594	293	—	293
Tenant improvements	700	(48)	652	526	—	526
Development and expansion capital [1]	2,703	198	2,901	2,274	8	2,282
Straight-line rent	(104)	123	19	375	—	375
Dispositions	—	—	—	(20,385)	—	(20,385)
IFRIC 21 property tax adjustment	5,418	1,176	6,594	5,568	12	5,580
Change in fair value [2]	(10,026)	19,736	9,710	13,515	(217)	13,298
End of the period [1]	**$ 1,608,655**	**$ 293,400**	**$ 1,902,055**	**$ 1,277,180**	**$ 10,845**	**$ 1,288,025**

[1] The fair value of the REIT's properties under redevelopment for the year ended December 31, 2021 is $111.9 million (2020 – $95.4 million).
[2] Change in fair value includes impacts due to valuation parameters, cash flows and accounting adjustments for IFRIC 21 property tax and straight-line rent.

	Year ended December 31, 2021			Year ended December 31, 2020		
	Consolidated	Joint venture investments	Proportionate Share (Non-GAAP)	Consolidated	Joint venture investments	Proportionate Share (Non-GAAP)
Beginning of the period	$ 1,277,180	$ 10,845	$ 1,288,025	$ 1,288,536	$ 11,227	$ 1,299,763
Acquisitions	234,280	257,330	491,610	91,785	—	91,785
Capital expenditures	4,688	39	4,727	2,741	—	2,741
Leasing costs	1,563	98	1,661	1,341	—	1,341
Tenant improvements	2,175	(48)	2,127	3,409	—	3,409
Development and expansion capital [1]	23,708	444	24,152	6,558	1,442	8,000
Straight-line rent	345	138	483	1,556	—	1,556
Dispositions	(4,100)	—	(4,100)	(133,635)	—	(133,635)
IFRIC 21 property tax adjustment	1,526	1,306	2,832	802	—	802
Change in fair value [2]	67,290	23,248	90,538	14,087	(1,824)	12,263
End of the period [1]	**$ 1,608,655**	**$ 293,400**	**$ 1,902,055**	**$ 1,277,180**	**$ 10,845**	**$ 1,288,025**

[1] The fair value of the REIT's properties under redevelopment for the year ended December 31, 2021 is $111.9 million (2020 – $95.4 million).
[2] Change in fair value includes impacts due to valuation parameters, cash flows and accounting adjustments for IFRIC 21 property tax and straight-line rent.

Capital, leasing and tenant improvement costs for the three and twelve month periods ended December 31, 2021 was $2.4 million and $8.4 million, respectively. Such costs are generally expended for purposes of tenanting and renewing existing leases, which maintain and create value at the REIT's properties and the portfolio as a whole by increasing contractual cash flow through new and extended leases. The REIT will continue to capitalize on opportunities to revitalize, undertake space improvements and generally maintain the high quality of the properties and tenants. These expenditures can vary from period to period, at times significantly, depending upon the timing of lease expires, re-leasing and management's capital plan for the period.

Fair value adjustments on properties

For the three month period ended December 31, 2021, the fair value decreased by $23.5 million primarily due to changes in valuation parameters and cash flows. For the year ended December 31, 2021, the REIT recorded a fair value gain on properties of $67.3 million, and an increase of $53.2 million over the comparative period. This is mainly due to changes in valuation parameters and cash flows, partially offset by an increase in transaction costs capitalized.

The following table presents the impact of certain accounting adjustments on the fair value gain recorded versus management's estimate of future cash flows and valuation assumptions:

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Valuation parameters and cash flows	$ (4,520)	$ 19,458	$ 73,022	$ 18,130
Transaction costs capitalized	(192)	—	(3,861)	(1,685)
IFRIC 21 property tax adjustment	(5,418)	(5,568)	(1,526)	(802)
Adjusted for straight-line rent	104	(375)	(345)	(1,556)
Total	**$ (10,026)**	**$ 13,515**	**$ 67,290**	**$ 14,087**

The fair value change of properties is impacted by IFRIC 21 property tax adjustments recorded on the REIT's portfolio. For acquisition purposes the REIT determines the obligating event for property taxes is ownership of the property on the first of January of the fiscal year. As a result, the annual property tax liability and expense has been recognized on the properties owned on the first of January of each year, with a corresponding increase to the fair value of properties that is reversed as the liability is settled through property tax installments.

The change in fair value of properties recorded in income excludes the impact of tenanting and leasing costs, landlord work, and development and expansion capital, not all of which are additive to value but are directly capitalized to the property.

PART III – RESULTS OF OPERATIONS

SUMMARY OF SELECTED QUARTERLY INFORMATION

The selected quarterly information highlights performance over the most recently completed eight quarters and is reflective of the timing of acquisitions, leasing and maintenance expenditures. Similarly, debt reflects financing activities related to acquisitions which serve to increase AFFO in the future, as well as ongoing financing activities for the existing portfolio. Accordingly, rental revenue, NOI, NAV, FFO and AFFO are reflective of changes in the underlying income-producing asset base and changing leverage.

Quarter ended	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Rental revenue	$ 38,348	$ 34,079	$ 33,377	$ 32,471	$ 31,872	$ 31,961	$ 30,255	$ 32,042
Property operating expenses [1]	(6,128)	(4,809)	(4,920)	(21,560)	(3,512)	(4,649)	(3,972)	(22,496)
Straight-line rent revenue	104	(8)	(276)	(165)	(375)	(530)	(237)	(414)
IFRIC 21 property tax adjustment [1]	(5,418)	(4,227)	(4,278)	12,397	(5,568)	(4,115)	(3,994)	12,875
Adjustments for joint venture investments	4,979	612	134	142	166	431	100	64
NOI [2]	$ 31,885	$ 25,647	$ 24,037	$ 23,285	$ 22,583	$ 23,098	$ 22,152	$ 22,071
Class U units outstanding	60,060	60,050	48,620	48,611	48,597	42,226	42,217	42,203
WA units	60,054	49,742	48,615	48,597	43,752	42,222	42,208	42,196
Net income (loss) [3]	$ 20,191	$ 9,603	$ (3,141)	$ 60,775	$ 21,268	$ 7,630	$ 6,888	$ 5,819
Net income (loss) per WA unit [3]	$ 0.34	$ 0.19	$ (0.06)	$ 1.25	$ 0.49	$ 0.18	$ 0.16	$ 0.14
NAV [4]	$ 738,091	$ 717,822	$609,946	$605,994	$ 531,891	$449,858	$ 445,189	$445,383
NAV per unit [4]	$ 12.29	$ 11.95	$ 12.55	$ 12.47	$ 10.94	$ 10.65	$ 10.55	$ 10.55
Distributions declared	$ 12,927	$ 11,283	$ 10,460	$ 10,460	$ 9,545	$ 9,087	$ 9,087	$ 9,087
Distributions per unit	$ 0.2160	$ 0.2160	$ 0.2160	$ 0.2160	$ 0.2160	$ 0.2160	$ 0.2160	$ 0.2160
FFO [3 5 6]	$ 15,684	$ 13,686	$ 12,545	$ 11,529	$ 11,684	$ 11,487	$ 11,115	$ 11,160
FFO per WA units [3 5 6 7]	$ 0.26	$ 0.28	$ 0.26	$ 0.24	$ 0.27	$ 0.27	$ 0.26	$ 0.26
AFFO [3 5 6]	$ 13,266	$ 11,478	$ 10,398	$ 9,450	$ 9,651	$ 8,954	$ 9,046	$ 8,748
AFFO per WA units [3 5 6 7]	$ 0.22	$ 0.23	$ 0.21	$ 0.19	$ 0.22	$ 0.21	$ 0.21	$ 0.21
Total assets (IFRS)	$1,737,162	$1,715,471	$1,552,511	$1,539,994	$1,323,554	$1,302,849	$1,300,866	$1,249,525
Debt	$ 937,744	$ 928,122	$ 766,997	$ 766,616	$ 726,373	$ 777,526	$ 781,002	$ 735,206
Debt / GBV [8]	54.0%	54.1%	53.0%	53.5%	54.9%	59.7%	60.0%	58.8%
Number of properties [3]	107	107	80	80	75	76	77	72
Leased (%) [3]	93.6%	93.5%	93.2%	93.1%	92.9%	92.5%	92.2%	92.8%
GLA [3]	13,174,121	13,174,145	9,916,435	9,959,075	9,554,679	9,728,179	9,832,109	9,507,881
Grocery-anchored GLA [3]	6,230,582	6,230,582	4,775,292	4,738,479	4,614,178	4,724,183	4,785,050	4,417,825

[1] In accordance with IFRIC 21, the REIT recognizes the annual property tax liability and expense on its existing properties on January 1st, rather than progressively, i.e. ratably, throughout the year.

[2] Refer to non-IFRS financial measures on page 16.

[3] Includes the REIT's share of joint venture investments.

[4] The first and second quarters of 2021 are adjusted to exclude the impact of the REIT's bought deal public offering of 11.4 million subscription receipts for gross proceeds of $133.0 million.

[5] Adjusting to exclude the impact of $169.0 million debt refinancing in the first quarter of 2021, FFO and FFO per unit would be $11.8 million and $0.24, respectively and AFFO and AFFO per unit would be $9.8 million and $0.20, respectively.

[6] Adjusting to exclude the impact of the refinanced credit facility and extinguished mortgage in the first quarter of 2020, FFO and FFO per unit would be $11.5 million and $0.27, respectively, and AFFO and AFFO per unit would be $9.1 million and $0.21, respectively.

[7] Adjusting for September 2021 distribution in respect of the 11.4 million units issued for the Acquisition in the third quarter of 2021, the REIT's FFO and AFFO payout ratio would be 76.5% and 91.2%, respectively.

[8] Excludes subscription receipt funds in escrow for first and second quarter of 2021.

NON-IFRS RECONCILIATIONS AND FINANCIAL MEASURES

The following table provides a reconciliation of the REIT's statement of financial position, as presented in its consolidated financial statements, to its proportionate interest.

	December 31, 2021			December 31, 2020		
	Statement of Financial Position	Joint Venture Investments	Proportionate Share (Non-GAAP)	Statement of Financial Position	Joint Venture Investments	Proportionate Share (Non-GAAP)
ASSETS						
Non-current assets						
Properties	$ 1,608,655	$ 293,400	$ 1,902,055	$ 1,277,180	$ 10,845	$ 1,288,025
Joint venture investments	87,304	(87,304)	—	3,474	(3,474)	—
Other assets	1,446	—	1,446	6,289	—	6,289
	$ 1,697,405	**$ 206,096**	**$ 1,903,501**	**$ 1,286,943**	**$ 7,371**	**$ 1,294,314**
Current assets						
Other assets	3,435	3,747	7,182	18,746	154	18,900
Prepaids	4,711	1,244	5,955	2,675	352	3,027
Accounts receivable	17,573	3,324	20,897	12,828	—	12,828
Cash	14,038	3,499	17,537	2,362	84	2,446
	$ 39,757	**$ 11,814**	**$ 51,571**	**$ 36,611**	**$ 590**	**$ 37,201**
Total assets	**$ 1,737,162**	**$ 217,910**	**$ 1,955,072**	**$ 1,323,554**	**$ 7,961**	**$ 1,331,515**
LIABILITIES						
Non-current liabilities						
Debt	$ 929,218	$ 172,633	$ 1,101,851	$ 721,260	$ 6,879	$ 728,139
Derivatives	9,369	717	10,086	36,745	—	36,745
Other liabilities	3,142	511	3,653	2,721	8	2,729
Exchangeable units of subsidiaries	12,302	—	12,302	9,566	—	9,566
Deferred income taxes	106,769	2	106,771	69,607	—	69,607
	$ 1,060,800	**$ 173,863**	**$ 1,234,663**	**$ 839,899**	**$ 6,887**	**$ 846,786**
Current liabilities						
Debt	8,526	39,272	47,798	5,113	—	5,113
Derivatives	9,567	—	9,567	264	—	264
Accounts payable and accrued liabilities	30,039	4,775	34,814	20,287	1,074	21,361
Distributions payable	4,309	—	4,309	3,487	—	3,487
Taxes payable	—	—	—	1,786	—	1,786
	$ 52,441	**$ 44,047**	**$ 96,488**	**$ 30,937**	**$ 1,074**	**$ 32,011**
Total liabilities	**$ 1,113,241**	**$ 217,910**	**$ 1,331,151**	**$ 870,836**	**$ 7,961**	**$ 878,797**
UNITHOLDERS' EQUITY						
Unitholders' equity	$ 619,020	$ —	$ 619,020	$ 452,718	$ —	$ 452,718
Non-controlling interest	4,901	—	4,901	—	—	—
Total equity	**$ 623,921**	**$ —**	**$ 623,921**	**$ 452,718**	**$ —**	**$ 452,718**
Total liabilities and unitholders' equity	**$ 1,737,162**	**$ 217,910**	**$ 1,955,072**	**$ 1,323,554**	**$ 7,961**	**$ 1,331,515**

The following table provides a reconciliation of the REIT's statement of income, as presented in its consolidated financial statements, to its proportionate interest for the three months ended December 31 2021 and 2020.

	Three months ended December 31, 2021			Three months ended December 31, 2020		
	Statement of Income	Joint Venture Investments	Proportionate Share (Non-GAAP)	Statement of Income	Joint Venture Investments	Proportionate Share (Non-GAAP)
Rental revenue	$ 38,348	$ 7,465	$ 45,813	$ 31,872	$ 212	$ 32,084
Property operating expenses	(6,128)	(1,309)	(7,437)	(3,512)	(46)	(3,558)
General and administrative expenses	(3,050)	(679)	(3,729)	(1,714)	—	(1,714)
Interest and finance costs	(10,092)	(1,641)	(11,733)	(8,873)	(78)	(8,951)
Share of income (loss) in joint venture investments	23,795	(23,795)	—	(129)	129	—
Change in fair value of financial instruments	—	221	221	(437)	—	(437)
Transaction costs	(54)	—	(54)	(803)	—	(803)
Change in fair value of properties	(10,026)	19,738	9,712	13,515	(217)	13,298
Net income before income taxes and unit expense	**$ 32,793**	**$ —**	**$ 32,793**	**$ 29,919**	**$ —**	**$ 29,919**
Deferred income tax expense	(10,391)	—	(10,391)	(8,730)	—	(8,730)
Current income tax expense	(463)	—	(463)	1,618	—	1,618
Unit expense	(1,748)	—	(1,748)	(1,539)	—	(1,539)
Net income	**$ 20,191**	**$ —**	**$ 20,191**	**$ 21,268**	**$ —**	**$ 21,268**
Net income attributable to						
Unitholders	$ 20,147	$ —	$ 20,147	$ 21,268	$ —	$ 21,268
Non-controlling interest	44	—	44	—	—	—
Net Income	**$ 20,191**	**$ —**	**$ 20,191**	**$ 21,268**	**$ —**	**$ 21,268**

The following table provides a reconciliation of the REIT's statement of income, as presented in its consolidated financial statements, to its proportionate interest for the year ended December 31 2021 and 2020.

	Year ended December 31, 2021			Year ended December 31, 2020		
	Statement of Income	Joint Venture Investments	Proportionate Share (Non-GAAP)	Statement of Income	Joint Venture Investments	Proportionate Share (Non-GAAP)
Rental revenue	$ 138,275	$ 8,969	$ 147,244	$ 126,130	$ 902	$ 127,032
Property operating expenses	(37,417)	(1,751)	(39,168)	(34,629)	(209)	(34,838)
General and administrative expenses	(10,421)	(731)	(11,152)	(10,511)	(140)	(10,651)
Interest and finance costs	(41,591)	(2,011)	(43,602)	(33,868)	(304)	(34,172)
Share of income (loss) in joint venture investments	20,489	(20,489)	—	(1,575)	1,575	—
Transaction costs	(230)	—	(230)	(3,913)	—	(3,913)
Change in fair value of financial instruments	(9,185)	278	(8,907)	(457)	—	(457)
Change in fair value of properties	67,290	15,735	83,025	14,087	(1,824)	12,263
Net income before income taxes and unit (expense) income	**$ 127,210**	**$ —**	**$ 127,210**	**$ 55,264**	**$ —**	**$ 55,264**
Deferred income tax expense	(33,487)	—	(33,487)	(11,587)	—	(11,587)
Current income tax expense	(2,331)	—	(2,331)	(2,414)	—	(2,414)
Unit (expense) income	(3,964)	—	(3,964)	342	—	342
Net income	**$ 87,428**	**$ —**	**$ 87,428**	**$ 41,605**	**$ —**	**$ 41,605**
Net income attributable to						
Unitholders	$ 86,905	$ —	$ 86,905	$ 41,605	$ —	$ 41,605
Non-controlling interest	523	—	523	—	—	—
Net income	**$ 87,428**	**$ —**	**$ 87,428**	**$ 41,605**	**$ —**	**$ 41,605**

REVENUE

Revenue from properties includes base rent from tenants, straight-line rental income, property tax and operating cost recoveries and other incidental income.

Rental revenue for the three and twelve month periods ended December 31, 2021 increased by $6.5 million and $12.1 million, respectively, compared to the same period in the prior year. The increase is primarily driven by the acquisition of 32 grocery-anchored properties during the year, new leasing typically above in-place rent, and increases in rental rates from re-leasing.

PROPERTY OPERATING EXPENSES

Property operating expenses consist of property taxes, property management fees and general and administrative expenses including common area costs, utilities and insurance. The majority of the REIT's operating expenses are recoverable from tenants in accordance with the terms of their respective lease agreements. Operating expenses fluctuate with changes in occupancy and levels of repairs and maintenance.

Property operating expenses for the three and twelve month periods ended December 31, 2021 increased by $2.6 million and $2.8 million, respectively, compared to the same period in the prior year due to the aforementioned grocery-anchored acquisitions during the year end December 31, 2021.

In accordance with IFRIC 21, the REIT recognizes the annual property tax liability and expense on its existing properties as at January 1st of each year, rather than progressively, i.e., ratably, throughout the year. The recognition of property taxes as a result of IFRIC 21 has no impact on NOI, FFO or AFFO.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses include fees for asset management, legal, trustee services, tax compliance, reporting, marketing, bad debt expenses and franchise and business taxes. Franchise and business taxes are typically billed in the following calendar year to which they relate.

	Three months ended December 31,			Year ended December 31,		
	2021	2020	Variance	2021	2020	Variance
Asset management fees	$ 1,646	$ 1,310	$ 336	$ 6,070	$ 5,169	$ 901
Professional fees and other	1,087	817	270	3,232	3,089	143
Bad debt expense	202	230	(28)	691	1,868	(1,177)
Franchise and business taxes	115	(643)	758	428	385	43
Total	**$ 3,050**	**$ 1,714**	**$ 1,336**	**$ 10,421**	**$ 10,511**	**$ (90)**
% of total assets	**0.2%**	**0.1%**	**0.1%**	**0.6%**	**0.8%**	**(0.2)%**
% of total revenue	**8.0%**	**5.4%**	**2.6%**	**7.5%**	**8.3%**	**(0.8)%**

General and administrative expenses for the three month period ended December 31, 2021 was $3.1 million, an increase of $1.3 million compared to the same period in the prior year. The increases are mainly due to increases in franchise and business taxes and asset management fees. For the period ended December 31, 2021, general and administrative expenses decreased by $90 thousand driven mainly by lower bad debt expense, partially offset by increased asset management fees.

INTEREST AND FINANCE COSTS

	Three months ended December 31,			Year ended December 31,		
	2021	2020	Variance	2021	2020	Variance
Interest on debt and finance charges	$ 6,833	$ 5,049	$ 1,784	$ 23,336	$ 22,134	$ 1,202
Interest rate swaps, net settlement [1]	2,857	3,189	(332)	11,507	9,733	1,774
Foreign exchange forward contract, net settlement	—	270	(270)	—	270	(270)
Interest income	(6)	(11)	5	(32)	(57)	25
Subscription receipts equivalent amount [2]	—	—	—	4,933	—	4,933
Amortization of finance charges [1 3]	484	402	82	2,007	2,298	(291)
Amortization of mark-to-market [3]	(55)	(4)	(51)	(73)	(422)	349
Amortization of deferred gain on TIF notes	(21)	(22)	1	(87)	(88)	1
Total	**$ 10,092**	**$ 8,873**	**$ 1,219**	**$ 41,591**	**$ 33,868**	**$ 7,723**

[1] In the first quarter of 2021, the REIT refinanced $169.0 million of its debt, resulting in a charge to income totaling $0.2 million.
[2] On September 22, 2021, each subscription receipt issued by the REIT on March 31, 2021 was exchanged for one unit and a cash distribution equivalent to $0.4268 (being equal to the aggregate amount of distributions paid by the REIT per unit for which record dates occurred between March 31, 2021 and September 22, 2021).
[3] In the first quarter of 2020, the REIT refinanced its credit facility and extinguished a mortgage of $10.1 million, resulting in a net charge to income totaling $0.3 million.

The following shows the change in interest on debt and finance charges, net of interest rate swaps for the three month period ended December 31, 2021 compared to the same period in the prior year:

Interest on debt and finance charges, net of interest rate swaps, December 31, 2020	$	8,238
Change in interest rates, net of interest rate hedges and debt levels[1 2]		(953)
Change in debt spreads		(178)
Increase in fixed rate debt		2,749
Decrease in standby fee		(166)
Interest on debt and finance charges, net of interest rate swaps, December 31, 2021	**$**	**9,690**
Year-over-year change – $	**$**	**1,452**
Year-over-year change – %		**17.6%**

[1] The weighted average interest rate cost of the REIT's floating rate debt, net of interest rate swaps for the three month period ended December 31, 2021 is 4.09% (December 31, 2020 – 3.96%).

[2] The average U.S. LIBOR for the three month period ended December 31, 2021 was 0.26%, which represents a 0.1% increase from the same period in 2020. At December 31, 2021, the REIT fixed 94.7% of its floating rate debt compared to 105.3% at December 31, 2020.

Interest expense and other finance costs, net consists of interest paid on the revolving credit facility ("revolver"), term loans, mortgages and interest rate swap contracts, as well as standby fees paid on the REIT's revolver.

Interest on debt, net of interest rate swaps increased by $1.5 million and $3.0 million for the three and twelve month periods ended December 31, 2021, respectively compared to the same periods in 2020, primarily due to increases in fixed rate debt. The REIT's revolver is redrawn from time-to-time to fund operating and investing activities.

The REIT's pay-fixed, receive-float interest rate swaps hedge the cash flow risk associated with one-month U.S. LIBOR based interest payments, with 94.7% of the REIT's debt subject to fixed rates at December 31, 2021. The weighted average fixed rate of the REIT's interest rate swaps was 2.6% compared to the one-month U.S. LIBOR at 0.26% at December 31, 2021, with a weighted average term to maturity of 2.2 years. Under this arrangement, the REIT has paid $2.9 million and $3.2 million of net interest payments in the current quarter and comparative period, respectively.

In conjunction with the REIT’s $169.0 million mortgage closed on January 14, 2021, the REIT terminated its $150.0 million interest rate swap with a maturity date of February 26, 2021. This resulted in an increase to the weighted average pay-fixed rate of the REIT's swap portfolio to 2.57%.

On February 4, 2020, the REIT terminated $150.0 million of its $300.0 million interest rate swap, with an effective date of November 22, 2016. The realized gain as a result of the termination was blended into the pay-fixed rate of the REIT’s $100.0 million interest rate swap, with a maturity date of September 22, 2022.

The REIT does not capitalize interest for its projects under development. Interest expense is recognized as incurred in income which is not comparable to other REITs or other corporations that capitalize interest.

FAIR VALUE ADJUSTMENTS ON REIT UNITS AND EXCHANGEABLE UNITS OF SUBSIDIARIES

Class B units of Slate Grocery One L.P. ("LP1") and Slate Grocery Two L.P ("LP2"). and exchangeable limited partnership units of GAR B all of which are issued by subsidiaries of the REIT (collectively, the "exchangeable units of subsidiaries") are classified as financial liabilities under IFRS and are measured at fair value with any changes in fair value recognized in unit expense in the consolidated statements of income. The fair value is re-measured at the end of each reporting period. An unrealized gain represents a decrease in the fair value per unit whereas an unrealized loss represents an increase in the fair value per unit. The fair value per unit on December 31, 2021 was $11.38 (December 31, 2020 – $8.85). Changes in fair value of exchangeable units of subsidiaries are non-cash in nature and are required to be recorded in income under IFRS.

For the three and twelve month periods ended December 31, 2021, the REIT recognized an unrealized fair value loss of $1.3 million and $2.7 million, respectively, on the exchangeable units of subsidiaries as a result of the change in fair value per unit over the respective comparative period.

NET INCOME

For the three month period ended December 31, 2021, net income increased by $1.1 million compared to the same period in the prior year. The decrease is attributed to a $23.5 million change in fair value of property and a $1.5 million increase in cash interest paid, partially offset by the aforementioned increases in revenue and $23.9 million and increases in contributions from joint venture investments. Net income for the year ended December 31, 2021 was $87.4 million, which resulted in a $45.8 million increase from the comparative period, mainly due to a $53.2 million increase in the change in fair value of properties, $22.1 million contributions from joint venture investments, and a $12.1 million increase in revenue, partially offset by cash interest paid and change in fair value of financial instruments.

NOI

NOI is a non-IFRS measure and is defined by the REIT as property rental revenue, excluding non-cash straight-line rent, less property operating expenses after adjusting for the impact of IFRIC 21 property tax accounting adjustments. Rental revenue excludes revenue recorded as a result of recording rent on a straight-line basis for IFRS which management believes reflects the cash generation activity of the REIT's properties. NOI is an important measure of the income generated from the REIT's properties and is used by the REIT in evaluating the performance of its properties. NOI may not be comparable with similar measures presented by other entities and is not to be construed as an alternative to net income or cash flow from operating activities determined in accordance with IFRS.

The following is a calculation of NOI:

	Three months ended December 31,			Year ended December 31,		
	2021	2020	Variance	2021	2020	Variance
Rental revenue	$ 38,348	$ 31,872	$ 6,476	$ 138,275	$ 126,130	$ 12,145
Straight-line rent revenue	104	(375)	479	(345)	(1,556)	1,211
Property operating expenses	(6,128)	(3,512)	(2,616)	(37,417)	(34,629)	(2,788)
IFRIC 21 property tax adjustment	(5,418)	(5,568)	150	(1,526)	(802)	(724)
Contribution from joint venture investments	4,979	166	4,813	5,867	761	5,106
NOI	**$ 31,885**	**$ 22,583**	**$ 9,302**	**$ 104,854**	**$ 89,904**	**$ 14,950**

The following shows the change in NOI for the three month period ended December 31, 2021 compared to the same period in the prior year:

NOI, December 31, 2020	$ 22,583
Change in same-property NOI	613
Increased contribution from redeveloped properties [1]	361
Loss of contribution from properties under redevelopment	(56)
Contribution from acquisitions [1]	8,521
Loss of contribution from dispositions, including outparcel sales	(137)
NOI, December 31, 2021	**$ 31,885**
Year-over-year change – $	**$ 9,302**
Year-over-year change – %	**41.2%**

[1] Includes the REIT's share of joint venture investments.

NOI for the three month period ended December 31, 2021 was $31.9 million, which represents an increase of $9.3 million from the same period in 2020. The increase is primarily due to a full quarter of NOI from acquisition of 32 grocery-anchored properties during the year and same-property NOI increases, partially offset by the loss in NOI contribution from dispositions.

The following shows the change in NOI for the three month period ended December 31, 2021 compared to the immediately preceding quarter:

NOI, September 30, 2021	$ 25,647
Change in same-property NOI	141
Loss of contribution from properties under redevelopment	(348)
Contribution from acquisitions [1]	6,445
NOI, December 31, 2021	**$ 31,885**
Quarter-over-quarter change – $	**$ 6,238**
Quarter-over-quarter change – %	**24.3%**

[1] Includes the REIT's share of joint venture investments.

NOI for the current quarter increased by $6.2 million from the third quarter of 2021 to $31.9 million mainly due to a full quarter contribution in NOI from acquisitions completed in the third quarter of 2021, partially offset by the loss in NOI contribution from properties under redevelopment.

SAME-PROPERTY NOI

Same-property NOI is a non-IFRS measure and is defined by the REIT as rental revenue, excluding non-cash straight-line rent, less property operating cost expenses after adjusting for the impact of IFRIC 21 property tax accounting adjustments for those properties owned by the REIT for the entirety of each of the current period and the relevant comparative period excluding those properties under redevelopment. For the three month period ended December 31, 2021, the same-property portfolio is comprised of a portfolio of 69 properties owned and in operation for each of the entire three month periods ended December 31, 2021 and 2020.

Same-property NOI is an important measure of the income generated from the REIT's properties period-over-period, but without consideration of acquisition and disposition activity, and is used by the REIT in evaluating the performance of its properties. The REIT seeks to increase or maintain same-property NOI through high-occupancy, increasing rents on renewal to market rents and by signing leases with embedded rent increases throughout the term of the lease.

The following is a summary of same-property NOI and the related occupancy rates for the three month period ended December 31, 2021 as compared to the same period in the prior year, reconciled to total NOI:

	Number of properties	Three months ended December 31, 2021	2020	Variance	Change (%)
Same-property NOI	**69**	**$ 21,443**	**$ 20,830**	**$ 613**	**2.9%**
NOI attributable to redeveloped properties [1]	2	735	374	361	
NOI attributable to properties under redevelopment	4	1,024	1,080	(56)	
NOI attributable to acquisitions [1]	32	8,683	162	8,521	
NOI attributable to dispositions, including outparcel sales	11	—	137	(137)	
Total NOI [1]		**$ 31,885**	**$ 22,583**	**$ 9,302**	**41.2%**
Occupancy, same-property	**69**	**94.9%**	**93.6%**	**1.3%**	
Occupancy, redeveloped properties [1]	2	**92.2%**	91.5%	0.7%	
Occupancy, properties under redevelopment	4	**89.0%**	82.4%	6.6%	
Occupancy, acquisitions [1]	32	**91.3%**	—%	91.3%	
Occupancy, dispositions, including outparcel sales	11	**—%**	78.6%	(78.6%)	
Occupancy, portfolio [1]		**93.6%**	**92.2%**	**1.4%**	

[1] Includes the REIT's share of joint venture investments.

Same-property NOI for the current quarter increased by $0.6 million to $21.4 million over the comparative period. The increase was primarily attributed to new leasing above market rental rates and increases in rental rates from re-leasing above average in-place rent of the properties, partially offset by temporary vacancies. Including the impact of completed redevelopments, same-property NOI increased by $1.0 million or 4.6% over the comparative period.

The following is a summary of same-property NOI and the related occupancy rates on a trailing twelve month basis as at December 31, 2021, as compared to the same period in the prior year reconciled to total NOI:

	Number of properties	Trailing twelve months, December 31, 2021	2020	Variance	Change (%)
Same-property NOI	**60**	**$ 75,216**	**$ 74,688**	**$ 528**	**0.7%**
NOI attributable to redeveloped properties [1]	4	4,043	2,656	1,387	
NOI attributable to properties under redevelopment	4	4,329	4,476	(147)	
NOI attributable to acquisitions [1]	39	21,101	4,730	16,371	
NOI attributable to dispositions, including outparcel sales	7	165	3,354	(3,189)	
Total NOI [1]		**$ 104,854**	**$ 89,904**	**$ 14,950**	**16.6%**
Occupancy, same-property	**60**	**94.9%**	**93.6%**	**1.3%**	
Occupancy, redeveloped properties [1]	4	**94.0%**	93.5%	0.5%	
Occupancy, properties under redevelopment	4	**89.0%**	82.4%	6.6%	
Occupancy, acquisitions [1]	39	**91.7%**	92.5%	(0.8%)	
Occupancy, dispositions, including outparcel sales	7	**—%**	78.6%	(78.6%)	
Occupancy, portfolio [1]		**93.6%**	**92.8%**	**0.8%**	

[1] Includes the REIT's share of joint venture investments.

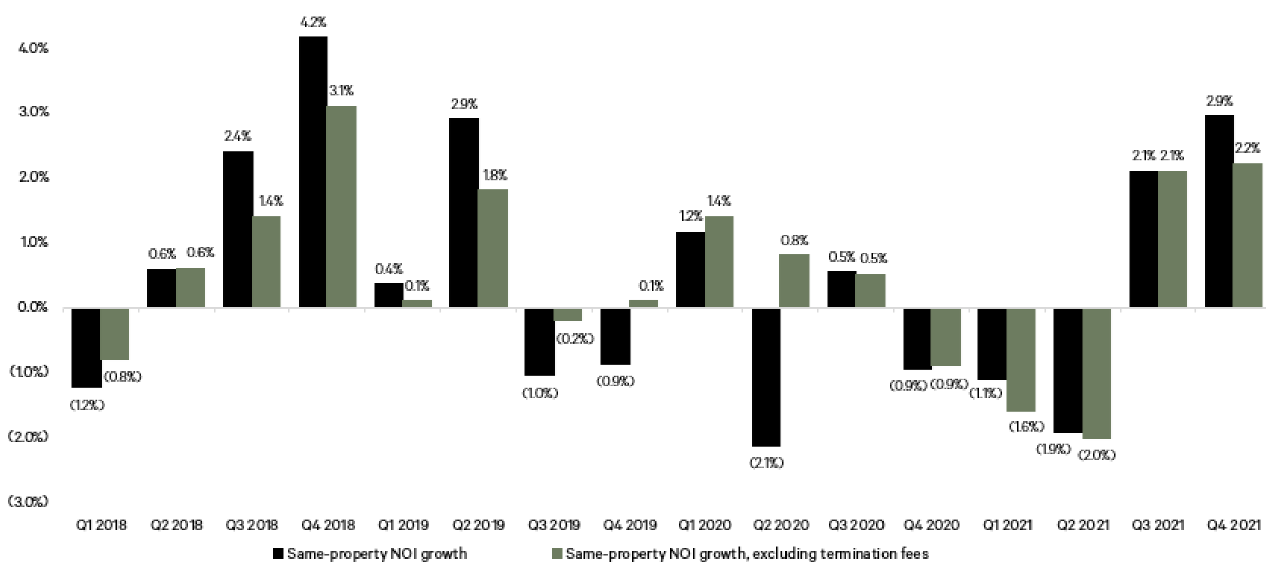
Same-property NOI for the trailing twelve month period ended December 31, 2021 increased by 0.7% from the same period in the prior year. This increase was primarily attributed to increases in rental rates from re-leasing above average in-place rent and new leasing above comparable market rental rates, partially offset by temporary vacancies. Including the impact of completed redevelopments, same-property NOI increased by $1.9 million or 2.5% over the comparative period.

Same-property NOI by quarter and percentage change over the relevant comparative period for the respective quarter is as follows:

	Number of properties	Same-property NOI	Same-property change (%)	Same-property change (%), excluding termination fees
Q1 2018	62	16,555	(1.2%)	(0.8%)
Q2 2018	64	17,403	0.6%	0.3%
Q3 2018	65	18,226	2.4%	1.4%
Q4 2018	77	22,691	4.2%	3.1%
Q1 2019	76	22,908	0.4%	0.1%
Q2 2019	75	23,816	2.9%	1.1%
Q3 2019	72	22,246	(1.0%)	(0.2%)
Q4 2019	68	21,511	(0.9%)	0.1%
Q1 2020	64	20,180	1.2%	1.5%
Q2 2020	63	19,985	(2.1%)	0.8%
Q3 2020	62	19,565	0.5%	0.5%
Q4 2020	61	18,961	(0.9%)	(0.9%)
Q1 2021	59	18,455	(1.1%)	(1.6%)
Q2 2021	62	18,424	(1.9%)	(2.0%)
Q3 2021	67	21,100	2.1%	2.1%
Q4 2021	69	21,443	2.9%	2.2%

Termination income is included in the REIT's definition of same-property NOI, however, can be substantial and does not occur frequently. The following is a table summarizing same-property NOI growth excluding the impact of terminations fees:

Same-property NOI Growth, Year-over-Year



NET ASSET VALUE

Net asset value is a non-IFRS measure and is defined by the REIT as the aggregate of the carrying value of the REIT's equity, exchangeable units of subsidiaries and deferred tax liability. Management believes that this measure reflects the residual value of the REIT to equity holders and is used by management on both an aggregate and per unit basis to evaluate the net asset value attributable to unitholders and changes thereon based on the execution of the REIT's strategy.

The following is the calculation of net asset value on a total and per unit basis at December 31, 2021 and December 31, 2020 to the REIT's consolidated financial statements:

	Year ended December 31,	
	2021	2020
Total unitholders' equity	$ 623,921	$ 452,718
Less: non-controlling interest	(4,901)	—
Adjusted unitholders' equity	619,020	452,718
Deferred income taxes	106,769	69,607
Exchangeable units	12,302	9,566
NAV	**$ 738,091**	**$ 531,891**
Class U units outstanding	60,060	48,597
NAV per unit	**$ 12.29**	**$ 10.94**

NAV has increased by $1.35 per unit as a result of by increased buyer demand for grocery-anchored strip centres and value-add asset management activities which includes anchor tenant renewals and repositionings, tenant credit enhancement through strategic leasing, capital investments and improvements.

	Year ended December 31,	
	2021	2020
Properties	$ 1,608,655	$ 1,277,180
Working capital	72,081	(18,916)
Debt	(937,744)	(726,373)
Non-controlling interest	(4,901)	—
NAV	738,091	531,891
Class U units outstanding	60,060	48,597
NAV per unit	**$ 12.29**	**$ 10.94**

FFO

FFO is a non-IFRS measure and real estate industry standard for evaluating operating performance. The REIT calculates FFO in accordance with the definition provided by REALPAC in its White Paper on FFO and AFFO for IFRS, as revised in February 2019. FFO is an important measure of the operating performance of REITs and is used by the REIT in evaluating the combined performance of its operations and the impact of its capital structure.

In calculating FFO, the REIT makes adjustments to the change in the fair value of properties, change in fair value of interest rate hedges recognized in income, deferred income tax expense, unit expense (income) and IFRIC 21 accounting related adjustments.

The following is a reconciliation of net income to FFO:

	Three months ended December 31,			Year ended December 31,		
	2021	2020	Variance	2021	2020	Variance
Net income	**$ 20,191**	**$ 21,268**	**$ (1,077)**	**$ 87,428**	**$ 41,605**	**$ 45,823**
Change in fair value of financial instruments	—	437	(437)	9,185	457	8,728
Transaction costs	54	803	(749)	230	3,913	(3,683)
Change in fair value of properties	10,026	(13,515)	23,541	(67,290)	(14,087)	(53,203)
Deferred income tax expense	10,391	8,730	1,661	33,487	11,587	21,900
Unit expense (income)	1,748	1,539	209	3,964	(342)	4,306
Adjustments for joint venture investments	(21,134)	217	(21,351)	(17,364)	1,892	(19,256)
Taxes on dispositions	—	(2,227)	2,227	523	1,223	(700)
Subscription receipts equivalent amount [1]	—	—	—	4,933	—	4,933
Non-controlling interest	(174)	—	(174)	(125)	—	(125)
IFRIC 21 property tax adjustment	(5,418)	(5,568)	150	(1,526)	(802)	(724)
FFO [2,3]	**$ 15,684**	**$ 11,684**	**$ 4,000**	**$ 53,445**	**$ 45,446**	**$ 7,999**
FFO per WA unit [2,3]	**$ 0.26**	**$ 0.27**	**$ (0.01)**	**$ 1.03**	**$ 1.07**	**$ (0.04)**
WA number of units outstanding	**60,054**	**43,752**	**16,302**	**51,779**	**42,595**	**9,184**

[1] On September 22, 2021, each subscription receipt issued by the REIT on March 31, 2021 was exchanged for one unit and a cash distribution equivalent to $0.4268 (being equal to the aggregate amount of distributions paid by the REIT per unit for which record dates occurred between March 31, 2021 and September 22, 2021). The cash distribution equivalent payment of $4.9 million has been recorded in interest and finance costs.

[2] Adjusting to exclude the impact of $169.0 million debt refinancing in the first quarter of 2021, FFO and FFO per unit for the year ended December 31, 2021 would be $53.8 million and $1.04, respectively.

[3] Adjusting to exclude the impact of the refinanced credit facility and extinguished mortgage in the first quarter of 2020, FFO and FFO per unit for the year ended December 31, 2020 would be $45.8 million and $1.07, respectively.

The following is a calculation of FFO from NOI:

	Three months ended December 31,			Year ended December 31,		
	2021	2020	Variance	2021	2020	Variance
NOI	$ 31,885	$ 22,583	$ 9,302	$ 104,854	$ 89,904	$ 14,950
Straight-line rent revenue	(104)	375	(479)	345	1,556	(1,211)
General and administrative expenses	(3,050)	(1,714)	(1,336)	(10,421)	(10,511)	90
Cash interest, net [1,2]	(9,663)	(8,475)	(1,188)	(34,724)	(31,992)	(2,732)
Finance charge and mark-to-market adjustments	(429)	(398)	(31)	(1,934)	(1,876)	(58)
Adjustments for joint venture investments	(2,318)	(78)	(2,240)	(2,742)	(444)	(2,298)
Non-controlling interest	(174)	—	(174)	(125)	—	(125)
Current income tax expense	(463)	(609)	146	(1,808)	(1,191)	(617)
FFO [3,4]	**$ 15,684**	**$ 11,684**	**$ 4,000**	**$ 53,445**	**$ 45,446**	**$ 7,999**

[1] Cash interest, net is comprised of total interest expense less amortization of finance charges and mark-to-market adjustments.

[2] On September 22, 2021 each subscription receipt issued by the REIT on March 31, 2021 was exchanged for one unit and a cash distribution equivalent to $0.4268 (being equal to the aggregate amount of distributions paid by the REIT per unit for which record dates occurred between March 31, 2021 and September 22, 2021). The cash distribution equivalent payment of $4.9 million has been recorded in interest and finance costs.

[3] Adjusting to exclude the impact of $169.0 million debt refinancing in the first quarter of 2021, FFO for the year ended December 31, 2021 would be $53.8 million.

[4] Adjusting to exclude the impact of the refinanced credit facility and extinguished mortgage in the first quarter of 2020, FFO for the year ended December 31, 2020 would be $45.8 million.

FFO for the three and twelve month periods ended December 31, 2021 increased by $4.0 million and $8.0 million from the respective comparative period. This increase is primarily due to the aforementioned increases to NOI, partially offset by increases in cash interest paid, general and administrative expenses, and adjustments for joint venture investments.

AFFO

AFFO is a non-IFRS measure that is used by management of the REIT, certain of the real estate industry and investors to measure recurring cash flows, including certain capital costs, leasing costs, tenant improvements and the impact of non-cash revenue. As described above, the REIT calculates AFFO as FFO adjusted for capital expenditures, leasing costs, tenant improvements and straight-line rent. The REIT's calculation is consistent with AFFO as calculated by REALPAC in its White Paper on FFO and AFFO for IFRS, as revised in February 2019. However, the REIT uses AFFO as a cash flow measure and considers it a meaningful measure used to evaluate the cash available for distribution to unitholders, while REALPAC considers AFFO as a recurring economic earnings measure. Accordingly, the REIT's use and calculation of AFFO may be different than the use or as disclosed by other businesses, and as a result, may not be comparable to similar measures presented by others.

The following is a reconciliation of cash flow from operations as included in the REIT's consolidated cash flow statement to AFFO:

	Three months ended December 31,			Year ended December 31,		
	2021	2020	Variance	2021	2020	Variance
Cash flow from operations	**$ 7,266**	**$ 8,049**	**$ (783)**	**$ 50,804**	**$ 39,351**	**$ 11,453**
Changes in non-cash working capital items	6,383	4,961	1,422	(4,575)	817	(5,392)
Transaction costs	54	803	(749)	230	3,913	(3,683)
Subscription receipts equivalent amount [1]	—	—	—	4,933	—	4,933
Finance charge and mark-to-market adjustments	(429)	(398)	(31)	(1,934)	(1,876)	(58)
Interest, net and TIF note adjustments	27	33	(6)	119	145	(26)
Adjustments for joint venture investments	2,572	88	2,484	3,036	317	2,719
Non-controlling interest	(175)	—	(175)	(117)	—	(117)
Taxes on dispositions	—	(2,227)	2,227	523	1,223	(700)
Capital expenditures	(1,238)	(839)	(399)	(4,688)	(2,741)	(1,947)
Leasing costs	(494)	(293)	(201)	(1,563)	(1,341)	(222)
Tenant improvements	(700)	(526)	(174)	(2,175)	(3,409)	1,234
AFFO [1 2 3]	**$ 13,266**	**$ 9,651**	**$ 3,615**	**$ 44,593**	**$ 36,399**	**$ 8,194**

[1] On September 22, 2021, each subscription receipt issued by the REIT on March 31, 2021 was exchanged for one unit and a cash distribution equivalent to $0.4268 (being equal to the aggregate amount of distributions paid by the REIT per unit for which record dates occurred between March 31, 2021 and September 22, 2021). The cash distribution equivalent payment of $4.9 million has been recorded in interest and finance costs.
[2] Adjusting to exclude the impact of $169.0 million debt refinancing in the first quarter of 2021, AFFO for the year ended December 31, 2021 would be $44.9 million.
[3] Adjusting to exclude the impact of the refinanced credit facility and extinguished mortgage in the first quarter of 2020, AFFO for the year ended December 31, 2020 would be $36.7 million.

In calculating AFFO, the REIT makes adjustments to FFO for certain items including capital, leasing costs, tenant improvements and straight-line rental revenue.

The following is a reconciliation of FFO to AFFO:

	Three months ended December 31,			Year ended December 31,		
	2021	2020	Variance	2021	2020	Variance
FFO	$ 15,684	$ 11,684	$ 4,000	$ 53,445	$ 45,446	$ 7,999
Straight-line rental revenue	104	(375)	479	(345)	(1,556)	1,211
Capital expenditures	(1,238)	(839)	(399)	(4,688)	(2,741)	(1,947)
Leasing costs	(494)	(293)	(201)	(1,563)	(1,341)	(222)
Tenant improvements	(700)	(526)	(174)	(2,175)	(3,409)	1,234
Adjustments for joint venture investments	(89)	—	(89)	(89)	—	(89)
Non-controlling interest	(1)	—	(1)	8	—	8
AFFO [1 2]	**$ 13,266**	**$ 9,651**	**$ 3,615**	**$ 44,593**	**$ 36,399**	**$ 8,194**
AFFO per WA unit [1 2]	**$ 0.22**	**$ 0.22**	**$ —**	**$ 0.86**	**$ 0.85**	**$ 0.01**
WA number of units outstanding	**60,054**	**43,752**	**16,302**	**51,779**	**42,595**	**9,184**

[1] Adjusting to exclude the impact of $169.0 million debt refinancing in the first quarter of 2021, AFFO and AFFO per unit for the year ended December 31, 2021 would be $44.9 million and $0.87, respectively.
[2] Adjusting to exclude the impact of the refinanced credit facility and extinguished mortgage in the first quarter of 2020, AFFO and AFFO per unit for the year ended December 31, 2020 would be $36.7 million and $0.86, respectively.

The following is a reconciliation of net income to AFFO:

	Three months ended December 31,			Year ended December 31,		
	2021	2020	Variance	2021	2020	Variance
Net income	**$ 20,191**	**$ 21,268**	**$ (1,077)**	**$ 87,428**	**$ 41,605**	**$ 45,823**
Change in fair value of financial instruments	—	437	(437)	9,185	457	8,728
Transaction costs	54	803	(749)	230	3,913	(3,683)
Change in fair value of properties	10,026	(13,515)	23,541	(67,290)	(14,087)	(53,203)
Deferred income tax expense	10,391	8,730	1,661	33,487	11,587	21,900
Unit expense (income)	1,748	1,539	209	3,964	(342)	4,306
Adjustments for joint venture investments	(21,134)	217	(21,351)	(17,364)	1,892	(19,256)
Non-controlling interest	(174)	—	(174)	(125)	—	(125)
Subscription receipts equivalent amount [1]	—	—	—	4,933	—	4,933
Taxes on dispositions	—	(2,227)	2,227	523	1,223	(700)
IFRIC 21 property tax adjustment	(5,418)	(5,568)	150	(1,526)	(802)	(724)
FFO [2 3]	**$ 15,684**	**$ 11,684**	**$ 4,000**	**$ 53,445**	**$ 45,446**	**$ 7,999**
Straight-line rental revenue	104	(375)	479	(345)	(1,556)	1,211
Capital expenditures	(1,238)	(839)	(399)	(4,688)	(2,741)	(1,947)
Leasing costs	(494)	(293)	(201)	(1,563)	(1,341)	(222)
Tenant improvements	(700)	(526)	(174)	(2,175)	(3,409)	1,234
Adjustments for joint venture investments	(89)	—	(89)	(89)	—	(89)
Non-controlling interest	(1)	—	(1)	8	—	8
AFFO [2 3]	**$ 13,266**	**$ 9,651**	**$ 3,615**	**$ 44,593**	**$ 36,399**	**$ 8,194**

[1] On September 22, 2021 each subscription receipt issued by the REIT on March 31, 2021 was exchanged for one unit and a cash distribution equivalent to $0.4268 (being equal to the aggregate amount of distributions paid by the REIT per unit for which record dates occurred between March 31, 2021 and September 22, 2021). The cash distribution equivalent payment of $4.9 million has been recorded in interest and finance costs

[2] Adjusting to exclude the impact of $169.0 million debt refinancing in the first quarter of 2021, FFO and AFFO for the year ended December 31, 2021 would be $53.8 million and $44.9 million, respectively.

[3] Adjusting to exclude the impact of the refinanced credit facility and extinguished mortgage in the first quarter of 2020, FFO and AFFO for the year ended December 31, 2020 would be $45.8 million and $36.7 million, respectively.

The following is a calculation of AFFO from NOI:

	Three months ended December 31,			Year ended December 31,		
	2021	2020	Variance	2021	2020	Variance
NOI	$ 31,885	$ 22,583	$ 9,302	$ 104,854	$ 89,904	$ 14,950
General and administrative expenses	(3,050)	(1,714)	(1,336)	(10,421)	(10,511)	90
Cash interest, net [1]	(9,663)	(8,475)	(1,188)	(34,724)	(31,992)	(2,732)
Finance charge and mark-to-market adjustments	(429)	(398)	(31)	(1,934)	(1,876)	(58)
Current income tax expense	(463)	(609)	146	(1,808)	(1,191)	(617)
Adjustments for joint venture investments	(2,407)	(78)	(2,329)	(2,831)	(444)	(2,387)
Non-controlling interest	(175)	—	(175)	(117)	—	(117)
Capital expenditures	(1,238)	(839)	(399)	(4,688)	(2,741)	(1,947)
Leasing costs	(494)	(293)	(201)	(1,563)	(1,341)	(222)
Tenant improvements	(700)	(526)	(174)	(2,175)	(3,409)	1,234
AFFO [2 3]	**$ 13,266**	**$ 9,651**	**$ 3,615**	**$ 44,593**	**$ 36,399**	**$ 8,194**

[1] Cash interest, net is comprised of total interest expense less amortization of finance charges and mark-to-market adjustments.

[2] Adjusting to exclude the impact of $169.0 million debt refinancing in the first quarter of 2021, AFFO for the year ended December 31, 2021 would be $44.9 million.

[3] Adjusting to exclude the impact of the refinanced credit facility and extinguished mortgage in the first quarter of 2020, AFFO for the year ended December 31, 2020 would be $36.7 million.

AFFO for the three and twelve month periods ended December 31, 2021 was $13.3 million and $44.6 million, which represents a $3.6 million and $8.2 million increase from the respective comparative period. The increase is primarily due to the aforementioned increases to FFO, partially offset by increased capital and leasing spend.

Capital improvements may include, but are not limited to, items such as parking lot resurfacing and roof replacements. These items are recorded as part of properties. Tenant improvements, leasing commissions, landlord work and maintenance capital expenditures can vary from period to period, at times significantly, depending upon the timing of lease expiries, re-leasing and management's capital plan for the period. Such costs are generally expended for purposes of tenanting and extending existing leases, which create value at the REIT's properties and the portfolio as a whole by increasing contractual cash flow through new and extended leases. The REIT will continue to capitalize on value-add opportunities to revitalize, undertake space improvements and generally maintain the high quality of the properties and tenants. As a result of the natural variability of such costs, the REIT's calculation of AFFO will be variable when comparing current period results to prior periods.

Capital, leasing costs and tenant improvements

During the fourth quarter capital improvements were completed across the portfolio. The majority of capital improvements were completed concurrent to leasing at the REIT's properties with the remainder as minor improvements. The remaining leasing costs were generally related to the high volume of new and renewal activity, totaling 62 leases executed in the current quarter. Leasing costs were well spread out across each deal with no one deal representing a large percentage of the total expenditure. Leasing costs to secure new tenants are generally higher than the costs to renew in-place tenants. In addition to property reinvestment, the leasing capital was comprised of fees related to tenant improvement allowances and other direct leasing costs, such as broker commissions and legal costs. To date the REIT has funded capital and leasing costs using cash flows from operations.

The following is a reconciliation of net income to AFFO using a proportionate share (non-GAAP) measure. With the exception of net income, the table includes figures that are recorded as an equity investment, information that is not explicitly disclosed or presented in the consolidated financial statements.

	Three months ended December 31, 2021			Year ended December 31, 2021		
	Consolidated	Joint venture investments	Proportionate Share (Non-GAAP)	Consolidated	Joint venture investments	Proportionate Share (Non-GAAP)
Rental revenue	$ 38,348	$ 7,465	$ 45,813	$ 138,275	$ 8,969	$ 147,244
Property operating expenses	(6,128)	(1,309)	(7,437)	(37,417)	(1,751)	(39,168)
General and administrative expenses	(3,050)	(679)	(3,729)	(10,421)	(731)	(11,152)
Interest and finance costs	(10,092)	(1,641)	(11,733)	(41,591)	(2,011)	(43,602)
Share of income in joint venture investments	23,795	(23,795)	—	20,489	(20,489)	—
Transaction costs	(54)	—	(54)	(230)	—	(230)
Change in fair value of financial instruments	—	221	221	(9,185)	278	(8,907)
Change in fair value of properties	(10,026)	19,738	9,712	67,290	15,735	83,025
Deferred income tax expense	(10,391)	—	(10,391)	(33,487)	—	(33,487)
Current income tax expense	(463)	—	(463)	(2,331)	—	(2,331)
Unit expense	(1,748)	—	(1,748)	(3,964)	—	(3,964)
Net income	**$ 20,191**	**$ —**	**$ 20,191**	**$ 87,428**	**$ —**	**$ 87,428**
Transaction costs	54	—	54	230	—	230
Change in fair value of financial instruments	—	221	221	9,185	(278)	8,907
Change in fair value of properties	10,026	(19,738)	(9,712)	(67,290)	(15,735)	(83,025)
Subscription receipts equivalent amount [1]	—	—	—	4,933	—	4,933
Deferred income tax expense	10,391	—	10,391	33,487	—	33,487
Unit expense	1,748	—	1,748	3,964	—	3,964
Adjustments for joint venture investments	(21,134)	21,134	—	(17,364)	17,364	—
Taxes on dispositions	—	—	—	523	—	523
Non-controlling interest	(174)	—	(174)	(125)	—	(125)
IFRIC 21 property tax adjustment	(5,418)	(1,617)	(7,035)	(1,526)	(1,351)	(2,877)
FFO [2]	**$ 15,684**	**$ —**	**$ 15,684**	**$ 53,445**	**$ —**	**$ 53,445**
Straight-line rental revenue	104	—	104	(345)	—	(345)
Capital expenditures	(1,238)	(39)	(1,277)	(4,688)	(39)	(4,727)
Leasing costs	(494)	(50)	(544)	(1,563)	(50)	(1,613)
Tenant improvements	(700)	—	(700)	(2,175)	—	(2,175)
Adjustments for joint venture investments	(89)	89	—	(89)	89	—
Non-controlling interest	(1)	—	(1)	8	—	8
AFFO [2]	**$ 13,266**	**$ —**	**$ 13,266**	**$ 44,593**	**$ —**	**$ 44,593**

[1] On September 22, 2021 each subscription receipt issued by the REIT on March 31, 2021 was exchanged for one unit and a cash distribution equivalent to $0.4268 (being equal to the aggregate amount of distributions paid by the REIT per unit for which record dates occurred between March 31, 2021 and September 22, 2021). The cash distribution equivalent payment of $4.9 million has been recorded in interest and finance costs.

[2] Adjusting to exclude the impact of $169.0 million debt refinancing in the first quarter of 2021, FFO and AFFO for the year ended December 31, 2021 would be $53.8 million and $44.9 million, respectively.

DISTRIBUTIONS

Pursuant to the Declaration of Trust, the income of the REIT is distributed on dates and in amounts as determined by the board of trustees. The REIT's current monthly distribution to unitholders is $0.072 per class U unit or $0.864 per class U unit on an annualized basis. Distributions increased by $3.0 million and $8.0 million for the three and twelve month periods ended December 31, 2021 the respective comparative period due to the issuance of 11.4 million units and 6.4 million units from the REIT's equity raises completed on September 22, 2021 and December 10, 2020, respectively.

The following table summarizes the REIT's distributions and reconciliation to distributions paid or settled:

	Three months ended December 31,			Year ended December 31,		
	2021	2020	Variance	2021	2020	Variance
Declared						
REIT units distributions	$ 12,694	$ 9,312	$ 3,382	$ 44,199	$ 35,874	$ 8,325
Exchangeable units of subsidiaries distributions	233	233	—	932	932	—
	$ 12,927	**$ 9,545**	**$ 3,382**	**$ 45,131**	**$ 36,806**	**$ 8,325**
Add: Distributions payable, beginning of period	3,487	3,029	458	3,487	3,029	458
Less: Distributions payable, end of period	(4,309)	(3,487)	(822)	(4,309)	(3,487)	(822)
Distributions paid or settled	**$ 12,105**	**$ 9,087**	**$ 3,018**	**$ 44,309**	**$ 36,348**	**$ 7,961**

The following table summarizes the monthly distributions declared to unitholders by year:

Month	2021	2020	2019	2018	2017	2016	2015
January	$ 0.07200	$ 0.07200	$ 0.07125	$ 0.07000	$ 0.06750	$ 0.06489	$ 0.06300
February	0.07200	0.07200	0.07125	0.07000	0.06750	0.06489	0.06300
March	0.07200	0.07200	0.07125	0.07000	0.06750	0.06489	0.06300
April	0.07200	0.07200	0.07125	0.07000	0.06750	0.06489	0.06300
May	0.07200	0.07200	0.07125	0.07000	0.06750	0.06489	0.06300
June	0.07200	0.07200	0.07125	0.07000	0.06750	0.06489	0.06300
July	0.07200	0.07200	0.07125	0.07000	0.06750	0.06489	0.06300
August	0.07200	0.07200	0.07125	0.07000	0.06750	0.06489	0.06300
September	0.07200	0.07200	0.07125	0.07000	0.06750	0.06750	0.06300
October	0.07200	0.07200	0.07125	0.07000	0.06750	0.06750	0.06300
November	0.07200	0.07200	0.07125	0.07000	0.07000	0.06750	0.06300
December	0.07200	0.07200	0.07200	0.07125	0.07000	0.06750	0.06489
Total	**$ 0.86400**	**$ 0.86400**	**$ 0.85575**	**$ 0.84125**	**$ 0.81500**	**$ 0.78912**	**$ 0.75789**

In April of 2014 the REIT listed its class U units on the TSX. In conjunction with the REIT's listing of its class U units on the TSX the REIT commenced a distribution policy, with a monthly distribution of $0.06 per unit. In November 2014, the REIT increased the distribution rate by 5.0% to $0.063 and again in December 2015 increased the distribution 3.0% to $0.06489. Beginning with the September 2016 distribution, the REIT increased the distribution by 4.0% to $0.0675 a month and in November 2017, the REIT increased the distribution rate by 3.7% to $0.07. In December 2018 the REIT increased the distribution rate by 1.8% to $0.07125. On December 16, 2019, the REIT announced a 1.1% increase of its monthly distribution to $0.072 per class U unit or $0.864 per class U unit on an annualized basis.

Class A and I unitholders of REIT units and holders of exchangeable units of subsidiaries are entitled to a distribution equal to a class U unit distribution.

Taxation of distributions

The REIT qualifies as a "mutual fund trust" under the Income Tax Act (Canada). For taxable Canadian resident REIT unitholders, the REIT's distributions were treated as follows for tax purposes for the three most recent years:

Taxation year, on a per dollar of distribution	Return of capital	Capital gains	Other income	Foreign tax paid
2020	33.9%	12.3%	59.3%	(5.5%)
2019	35.2%	11.6%	53.2%	—%
2018	78.0%	—	22.0%	—%
2017	44.0%	—	56.0%	—%
2016	35.0%	—	65.0%	—%
2015 (January to May)[1]	45.0%	—	55.0%	—%
2015 (June to December)[1]	39.0%	—	61.0%	—%

[1] The change in return of capital and other income in the 2015 year is due to a deemed year end resulting from the acquisition of net assets of Slate U.S. Opportunity (No. 3) Realty Trust.

FFO payout ratio

The FFO payout ratio is a non-IFRS measure that provides a representation of the distributions generated by the REIT compared to FFO. Management uses this measure on a total and per unit basis to evaluate the REIT's ability to sustain its distributions. The FFO payout ratio is calculated by dividing aggregate distributions made in respect of REIT units and exchangeable units of subsidiaries by FFO during the period of measurement.

The FFO payout ratio was 82.4% and 84.4% for the three and twelve month periods ended December 31, 2021, respectively, which represents an increase of 0.7% and 3.4% over the respective comparative periods. The increase is due to an increase in distributions declared from the issuance of 11.4 million units from subscription receipts on September 22, 2021 and 6.4 million units from the REIT's equity raise completed December 10, 2020, partially offset by the aforementioned increase to FFO.

The table below illustrates the REIT's cash flow capacity, based on FFO, in comparison to its declared distributions:

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
FFO	$ 15,684	$ 11,684	$ 53,445	$ 45,446
Distributions declared [1]	(12,927)	(9,545)	(45,131)	(36,806)
Excess of FFO over distributions declared	**$ 2,757**	**$ 2,139**	**$ 8,314**	**$ 8,640**
FFO payout ratio [2,3]	**82.4%**	**81.7%**	**84.4%**	**81.0%**

[1] Distributions declared represent distributions on REIT units and exchangeable units of subsidiaries.
[2] Adjusting to exclude the impact of $169.0 million debt refinancing in the first quarter of 2021, the FFO payout ratio for the year ended December 31, 2021 would be 84.0%.
[3] Adjusting to exclude the impact of the refinanced credit facility and extinguished mortgage in the first quarter of 2020, the FFO payout ratio for the year ended December 31, 2020 would be 80.4%.

AFFO payout ratio

The AFFO payout ratio is a non-IFRS measure that provides a representation of the distributions generated by the REIT compared to AFFO. Management uses this measure on a total and per unit basis to evaluate the REIT's ability to sustain its distributions. The AFFO payout ratio is calculated by dividing aggregate distributions made in respect of REIT units and exchangeable units of subsidiaries by AFFO during the period of measurement.

As described above, the REIT's determination of AFFO includes actual capital, leasing costs and tenant improvements, which can vary from period to period, at times significantly, depending upon the timing of lease expiries, re-leasing and management's capital plan for the period. As a result of the natural variability of such costs, the REIT's calculation of its AFFO payout ratio will be variable when comparing current period results to prior periods, and accordingly, inherently more volatile than the REIT's FFO payout ratio which does not include such costs. The actual ratio may from time-to-time be outside of this range.

The REIT strives to maintain an AFFO payout ratio that provides steady and reliable distributions to unitholders. As a result, the REIT is focused on maintaining a policy that provides a high level of certainty that the distribution will be maintained over time. Currently, the REIT's monthly distribution to unitholders was $0.072 per class U unit or $0.864 on an annualized basis.

The AFFO payout ratio for the three month period ended December 31, 2021 decreased by 1.5% from the comparative period to 97.4%. The AFFO payout ratio for the year ended December 31, 2021 was 101.2%, which is in line with the comparative period.

The table below illustrates the REIT's cash flow capacity, based on AFFO, in comparison to its cash distributions:

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
AFFO	$ 13,266	$ 9,651	$ 44,593	$ 36,399
Distributions declared [1]	(12,927)	(9,545)	(45,131)	(36,806)
Excess of AFFO over distributions declared	**$ 339**	**$ 106**	**$ (538)**	**$ (407)**
AFFO payout ratio [2,3]	**97.4%**	**98.9%**	**101.2%**	**101.1%**

[1] Distributions declared represent distributions on REIT units and exchangeable units of subsidiaries.
[2] Adjusting to exclude the impact of $169.0 million debt refinancing in the first quarter of 2021, the AFFO payout ratio for the year ended December 31, 2021 would be 100.5%.
[3] Adjusting to exclude the impact of the refinanced credit facility and extinguished mortgage in the first quarter of 2020, the AFFO payout ratio for the year ended December 31, 2020 would be 100.2%.

The REIT's distributions declared were in excess of AFFO of $0.5 million for the year ended December 31, 2021. The REIT has maintained a consistent distribution rate despite period over period variances in cash from operating activities.

For the year ended December 31, 2021, the REIT's cash flow from operating activities exceeded distributions paid by $5.7 million. For the year ended December 31, 2020 and 2019, the REIT's cash flow from operating activities exceeded distributions paid by $2.5 million and $6.9 million, respectively.

	Year ended December 31, 2021	Year ended December 31, 2020	2019
Cash flows from operating activities	$ 50,804	$ 39,351	$ 44,478
Net income	87,428	41,605	26,323
Cash distributions paid or payable relating to the period	(45,131)	(36,806)	(37,559)
Excess of cash flows from operating activities over cash distributions paid	**$ 5,673**	**$ 2,545**	**$ 6,919**
Excess (shortfall) of net income over cash distributions paid	**$ 42,297**	**$ 4,799**	**$ (11,236)**

The REIT's distributions paid in the year ended December 31, 2021 were funded by the REIT's revolver and cash from operations. The REIT believes the current shortfall does not impact the sustainability of the REIT's future distributions and that the REIT expects distributions will continue to be funded through cash flows from operating activities.

Impact of interest rate changes

The REIT strives to maintain a conservative AFFO payout ratio in order to continue to provide steady and reliable distributions to unitholders. The actual ratio may from time-to-time be outside of this range as a result of operational results, including changes in interest rates, and the timing of capital and leasing costs. Management expects there will be normal deviations from this rate due to timing and natural volatility in the operations of the business. Management evaluates various factors in determining the appropriate distribution policy including estimates of future NOI, near-term grocery-anchor lease turnover, future capital requirements and interest rate changes.

In order to mitigate interest rate risk, the REIT has entered into notional amount pay-fixed receive-float interest rate swap contracts to hedge the cash flow risk associated with monthly U.S. LIBOR based interest payments on a portion of the REIT's floating rate debt. As a result of the interest rate swaps, 94.7% of the REIT's debt is now subject to fixed rates. The weighted average fixed rate of the REIT's interest rate swaps was 2.57% in comparison to one-month U.S. LIBOR at 0.26% at December 31, 2021 with a weighted average term to maturity of 2.2 years.

In conjunction with the REIT's $169.0 million mortgage closed on January 14, 2021, the REIT terminated its $150.0 million interest rate swap with a maturity date of February 26, 2021. This resulted in an increase to the weighted average pay-fixed rate of the REIT's swap portfolio to 2.57%.

On February 4, 2020, the REIT terminated $150.0 million of its $300.0 million interest rate swap, with an effective date of November 22, 2016. The realized gain as a result of the termination was blended into the pay-fixed rate of the REIT's $100.0 million interest rate swap, with a maturity date of September 22, 2022.

The terms of the interest rate swaps are as follows:

				Total/ Weighted average
Pay-fixed rate	1.411%	2.884%	2.925%	**2.573%**
Notional amount	$ 100,000	$ 175,000	$ 175,000	**$ 450,000**
Receive-floating rate	One-month LIBOR	One-month LIBOR	One-month LIBOR	
Maturity date	September 22, 2022	August 22, 2023	August 22, 2025	
Remaining term (years)	0.7	1.6	3.6	**2.2**

INCOME TAX

The REIT's operations and the associated net income occur within partially owned, flow through entities such as partnerships. Any tax liability on taxable income attributable to the Slate Grocery exchangeable unitholders is incurred directly by the unitholders as opposed to Slate Grocery Investment L.P., the REIT's most senior taxable subsidiary. Accordingly, although the REIT's consolidated net income includes income attributable to Slate Grocery exchangeable unitholders, the consolidated tax provision includes only the REIT's proportionate share of the applicable taxes.

For the three and twelve month periods ended December 31, 2021, the deferred income tax expense was $10.4 million and $33.5 million, respectively (three month period ended December 31, 2020 – $8.7 million, year ended December 31, 2020 – $11.6 million). The REIT's deferred income tax expense relates mainly to changes in the differences between the fair value of the REIT's properties and the corresponding undepreciated value for income tax purposes.

RELATED PARTY TRANSACTIONS

Pursuant to the terms of a management agreement as amended on October 1, 2021, the Manager provides all management services to the REIT. The Manager agreed to provide certain services in connection with the business of the REIT, including: the structuring of the REIT, liaising with legal and tax counsel; identifying properties for acquisition; maintaining ongoing relationships with the lenders in respect of the mortgage loans for the Properties; conducting continuous analysis of market conditions; and advising with respect to the disposition of the Properties. In return for its service, the Manager receives the following fees:

i. an asset management fee calculated as a percentage of Gross Book Value ("GBV") of the REIT (the "rate"). A rate of 0.40% is applicable to a GBV of up to $2.0 billion and reduced based on certain GBV increases; and

ii. an acquisition fee in an amount equal to 0.75% of the gross purchase price of each property (or interest in a property), including the price, due diligence costs, closing costs, legal fees, and additional capital costs for all properties indirectly acquired by the REIT

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Asset management	$ 1,653	$ 1,310	$ 6,060	$ 5,169
Acquisition	120	—	1,733	685
Total [1]	**$ 1,773**	**$ 1,310**	**$ 7,793**	**$ 5,854**

[1] Includes the REIT's proportionate interest in joint venture investments.

Related party transactions incurred and payable to the Manager for the three and twelve month periods ended December 31, 2021 were $1.8 million and $7.8 million, respectively. These transactions are in the normal course of operations and are in accordance with the management agreement and are measured at the exchange amount. The exchange amount is the consideration established under contract and as approved by the REIT's board of trustees. The Manager is a significant unitholder in the REIT, with an approximate 5.6% interest.

MAJOR CASH FLOW COMPONENTS

The REIT is able to meet all of its obligations as they become due and have sufficient liquidity from the following sources: (i) cash flow from operating activities and (ii) financing availability through the REIT's revolving credit facility and conventional mortgage debt secured by income-producing properties.

	Year ended December 31,	
	2021	2020
Operating activities	$ 50,804	$ 39,351
Investing activities	(190,853)	5,793
Financing activities	151,725	(45,194)
Increase (decrease) in cash	**$ 11,676**	**$ (50)**

Cash flows from operating activities relate to the collection of rent and payment of property operating expenses. Cash flows from operating activities, net of interest expense are able to satisfy the REIT's distribution requirements and will be used to fund on-going operations and expenditures for leasing capital and property capital.

Cash flows used in investing activities primarily relate to the acquisition of grocery-anchored properties, and additions to the properties through capital and leasing expenditures.

Cash flows from financing activities relate to the servicing of mortgages, additional drawdowns on the REIT's revolver for the acquisition of properties during the year, equity offering related to subscription receipts, repurchases of units and distributions paid to unitholders.

SELECTED ANNUAL INFORMATION

The following table provides selected financial information for the past three years:

	2021	2020	2019
Rental revenue	$ 138,275	$ 126,130	$ 141,315
Net income	87,428	41,605	26,323
Total assets	1,737,162	1,323,554	1,315,080
Non-current debt	929,218	721,260	708,940
Total debt	937,744	726,373	789,395
Distribution rate, per unit [1]	0.8640	0.8640	0.8550

[1] On December 16, 2019, the REIT announced a 1.1% increase of its monthly distribution to $0.072 per class U unit or $0.864 per class U unit on an annualized basis, commencing with the month of December 2019 distribution.

PART IV – FINANCIAL CONDITION

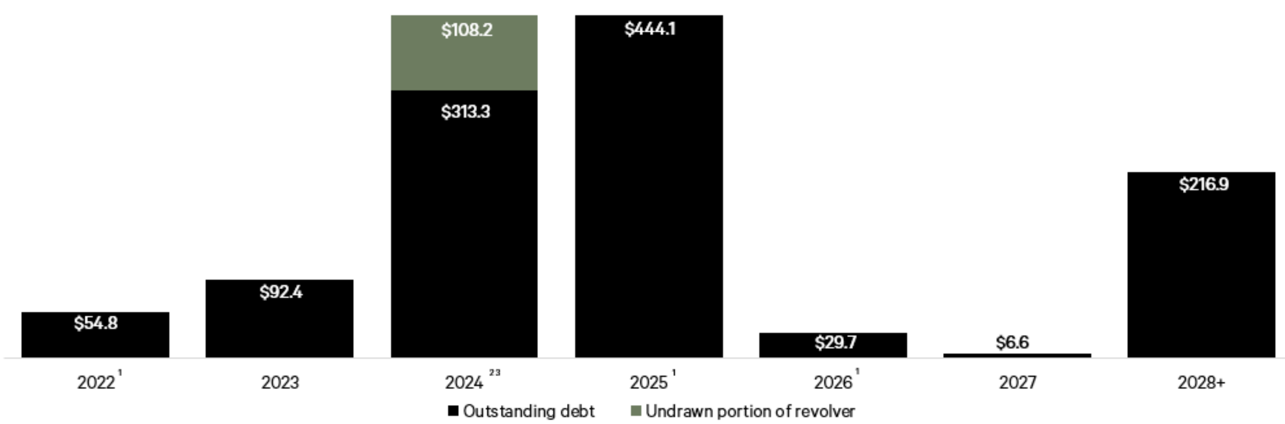
DEBT

The REIT’s overall borrowing strategy is to obtain financing with terms to maturity that are appropriate having regard to the lease maturity profiles of the underlying properties and which allows the REIT to (i) stagger debt maturities that reduce its exposure to interest rate fluctuations and re-financing risk in any particular period, (ii) minimize financing costs, and (iii) maintain flexibility with respect to property operations. The success of this strategy is dependent upon debt market parameters existing at the time of borrowing, as well as the particular features and quality of the underlying assets being financed. If this strategy is unsuccessful, mortgage principal repayments would be funded by operating cash flows, additional draws under the REIT’s revolver, financing of income-producing properties or by issuances of equity.

The REIT's revolver, term loan and term loan 2 provide the required flexibility to support the REIT’s acquisition pipeline. The credit facility and term loan 2 represents a significant component of the REIT's funding, which allows the REIT to maintain flexibility in its portfolio by avoiding debt that constricts portfolio capital recycling and redevelopment while minimizing unused cash positions. In addition to the credit facility and term loan 2, the REIT has ready access to alternative funding sources, including financial institutions for financing arrangements and investors at competitive rates. Management continues to monitor interest rate risk of the REIT's debt portfolio. As a result of the interest rate swap, 94.7% of the REIT's debt is now subject to fixed rates.

The weighted-average term of the REIT's debt is 4.2 years at a weighted average cost of 4.09%.

Debt Maturity Profile
(in $US millions)



[1] Includes the REIT's share of debt held in its joint ventures.
[2] Debt available to be drawn is subject to certain covenants as provided in the REIT's lending agreements, including generally, a maximum of 65% Consolidated Total Indebtedness to Gross Asset Value (the "consolidated leverage ratio"). The term loan and term loan 2 provide for different spreads over one-month U.S. LIBOR depending on the ratio of the consolidated leverage ratio. The applicable spread for the revolver where the consolidated leverage ratio is; (i) less than or equal to 45% is 135 bps; (ii) greater than 45% but less than or equal to 50% is 145 bps; (iii) greater than 50% but less than or equal to 55% is 160 bps (iv) greater than 55% but less than or equal to 60% is 185 bps; and (iv) greater than 60% is 205 bps. The applicable spread for the term loan and term loan 2 where the consolidated leverage ratio is; (i) less than or equal to 45% is 125 bps; (ii) greater than 45% but less than or equal to 50% is 140 bps; (iii) greater than 50% but less than or equal to 55% is 150 bps (iv) greater than 55% but less than or equal to 60% is 175 bps; and (iv) greater than 60% is 195 bps.
[3] Excludes two six-month extension options exercisable at the REIT's option for the revolver. With the two six-month extension options the weighted average debt maturity of the REIT's debt portfolio is 4.3 years

Debt held by the REIT is as follows:

	Maturity	Term to maturity (years)	Effective rate		Principal		Mark-to-market adjustments and costs	December 31, 2021		December 31, 2020	
									Carrying amount		Carrying amount
Revolver [1 2 3 4 5]	March 21, 2024	2.2	2.02%	$	191,853	$	(1,031)	$	190,822	$	84,381
Term loan [1 2 4]	March 21, 2025	3.2	1.92%		225,000		(902)		224,098		223,838
Term loan 2 [1 2 4]	February 9, 2023	1.1	1.92%		83,000		(496)		82,504		248,902
Mortgage	December 6, 2024	2.9	4.03%		103,950		587		104,537		—
Mortgage	January 1, 2025	3.0	3.80%		41,249		(513)		40,736		41,656
Mortgage	July 1, 2025	3.5	4.14%		38,293		(300)		37,993		39,737
Mortgage	August 1, 2025	3.6	4.43%		7,700		11		7,711		—
Mortgage	March 18, 2030	8.2	3.48%		80,547		(1,328)		79,219		80,728
Mortgage	January 1, 2031	9.0	5.50%		6,480		108		6,588		7,131
Mortgage	May 1, 2031	9.3	3.75%		166,385		(2,849)		163,536		—
Total / weighted average		**4.2** [5 6]	**4.09%** [6]	**$**	**944,457**	**$**	**(6,713)**	**$**	**937,744**	**$**	**726,373**
Share of joint venture investments' debt									**211,905**		**6,879**
Total debt, proportionate basis								**$**	**1,149,649**	**$**	**733,252**

[1] The weighted average interest rate has been calculated using the December 31, 2021 U.S. LIBOR rate for purposes of the revolver, term loan and term loan 2.

[2] Debt available to be drawn is subject to certain covenants as provided in the REIT's lending agreements, including generally, a maximum of 65% consolidated leverage ratio. The applicable spread for the revolver where the consolidated leverage ratio is; (i) less than or equal to 45% is 135 bps; (ii) greater than 45% but less than or equal to 50% is 145 bps; (iii) greater than 50% but less than or equal to 55% is 160 bps (iv) greater than 55% but less than or equal to 60% is 185 bps; and (iv) greater than 60% is 205 bps. The applicable spread for the term loan and term loan 2 where the consolidated leverage ratio is; (i) less than or equal to 45% is 125 bps; (ii) greater than 45% but less than or equal to 50% is 140 bps; (iii) greater than 50% but less than or equal to 55% is 150 bps (iv) greater than 55% but less than or equal to 60% is 175 bps; and (iv) greater than 60% is 195 bps.

[3] The revolver requires a stand-by fee to be paid in an amount equal to 0.25% of the unused portion of the revolver where the unused portion is greater than or equal to 50% of the maximum amount available and 0.15% of the unused portion of the revolver where the unused portion is less than 50% of the maximum amount available, calculated daily.

[4] The revolver, term loan and term loan 2 are secured by a general pledge of equity of certain subsidiaries of the REIT. Collectively, those subsidiaries hold an interest in 45 of the REIT's properties.

[5] Excludes a two-six month extension options exercisable at the REIT's option. With the two six-month extension options the weighted average debt maturity of the REIT's debt portfolio is 4.3 years.

[6] Includes the REIT's share of debt held in its joint ventures.

On September 22, 2021, as a part of the Acquisition of the Tops Portfolio, the REIT assumed a $104.5 million five-year mortgage, bearing interest at 4.03%, as well as a $7.7 million six-year mortgage, bearing interest at 4.43%.

On January 14, 2021, the REIT entered into a $169.0 million 10-year mortgage, bearing interest of 3.75%. The net proceeds from the loan were used to reduce the REIT's term loan to $83.0 million, resulting in an increase of the REIT's debt portfolio to a weighted average term to maturity of 5.5 years.

On February 21, 2020, the REIT refinanced its existing revolving credit facility and term loan (the “credit facility”) for four and five-year terms, respectively, for an aggregate of $525.0 million. The REIT has also reduced pricing on its credit facility and $250.0 million term loan. The revolver, term loan and term loan 2 bears interest at U.S. LIBOR plus an applicable margin.

On March 18, 2020, The REIT entered into an $83.3 million 10-year mortgage loan, bearing interest of 3.48%. The loan is secured by a pool of eight properties and is non-recourse to the REIT. Proceeds from the loan were used to reduce borrowings on the REIT's revolver.

On March 20, 2020, the REIT extinguished a mortgage of $10.1 million, bearing interest of 5.75% with borrowings from the REIT's revolver. The REIT recognized a $0.3 million gain on the settlement of the mortgage's deferred financing costs and mark-to-market adjustment.

The carrying amount of debt was $937.7 million at December 31, 2021, which represents an increase of $211.4 million compared to December 31, 2020. The increase is mainly due to the drawdowns on the revolver to fund the Acquisition, assumption of debt from the Acquisition, partially offset by the principal repayments on the REIT's revolver funded by cash received from cash from operations.

DEBT TO GROSS BOOK VALUE

The REIT's Declaration of Trust provides for restrictions as to the maximum aggregate amount of leverage that may be undertaken. Specifically, the Declaration of Trust provides that the REIT is not permitted to exceed financial leverage in excess of 65% of gross book value, as defined by the Declaration of Trust. A calculation of debt to gross book value ratio is as follows:

	December 31, 2021	December 31, 2020
GBV	$ 1,737,162	$ 1,323,554
Debt	937,744	726,373
Leverage ratio	**54.0%**	**54.9%**

The REIT's leverage ratio has decreased by 0.9% to 54.0% from December 31, 2020 due to an increase in valuation of the REIT's portfolio, partially offset by the drawdowns on the revolver to fund acquisitions during the year.

Additional investment and operating guidelines are provided for by the Declaration of Trust. The REIT is in compliance with these guidelines.

The REIT's revolver, term loan and term loan 2 are subject to financial and other covenants. The following are the primary financial covenants, with all terms defined by the lending agreement:

	Threshold	December 31, 2021	December 31, 2020
Maximum leverage ratio: consolidated total indebtedness shall not exceed 65% of gross asset value	< 65%	61.8%	57.5%
Minimum fixed charge coverage ratio: adjusted EBITDA to consolidated fixed charges shall not be less than 1.50x [1]	> 1.50x	1.94x	2.15x

[1] Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortization, as defined by the Amended and Restated Credit Agreement for the revolver and term loan, and the Credit Agreement for term loan 2.

ADJUSTED EBITDA

Adjusted EBITDA is a non-IFRS measure and is used by the REIT to monitor the REIT's ability to satisfy and service its debt as well as monitor requirements imposed by the REIT's lenders. Specifically, adjusted EBITDA is used to monitor the REIT's leverage ratio and interest coverage ratio, which the REIT uses to measure its debt profile and assess its ability to satisfy its obligations, including servicing its debt. Management views adjusted EBITDA as a proxy for operating cash flow prior to interest costs.

The following is a reconciliation from net income to adjusted EBITDA:

	Three months ended December 31,			Year ended December 31,		
	2021	2020	Variance	2021	2020	Variance
Net income	**$ 20,191**	**$ 21,268**	**$ (1,077)**	**$ 87,428**	**$ 41,605**	**$ 45,823**
Interest and finance costs	10,092	8,873	1,219	41,591	33,868	7,723
Change in fair value of financial instruments	—	437	(437)	9,185	457	8,728
Transaction costs	54	803	(749)	230	3,913	(3,683)
Change in fair value of properties	10,026	(13,515)	23,541	(67,290)	(14,087)	(53,203)
Deferred income tax expense	10,391	8,730	1,661	33,487	11,587	21,900
Current income tax expense (recovery)	463	(1,618)	2,081	2,331	2,414	(83)
Unit expense (income)	1,748	1,539	209	3,964	(342)	4,306
Adjustments for joint venture investment	(18,816)	295	(19,111)	(14,622)	2,336	(16,958)
Straight-line rent revenue	104	(375)	479	(345)	(1,556)	1,211
IFRIC 21 property tax adjustment	(5,418)	(5,568)	150	(1,526)	(802)	(724)
Adjusted EBITDA	**$ 28,835**	**$ 20,869**	**$ 7,966**	**$ 94,433**	**$ 79,393**	**$ 15,040**

	Three months ended December 31,			Year ended December 31,		
	2021	2020	Variance	2021	2020	Variance
Rental revenue	$ 38,348	$ 31,872	$ 6,476	$ 138,275	$ 126,130	$ 12,145
Property operating expenses	(6,128)	(3,512)	(2,616)	(37,417)	(34,629)	(2,788)
General and administrative expenses	(3,050)	(1,714)	(1,336)	(10,421)	(10,511)	90
Adjustments for joint venture investment	4,979	166	4,813	5,867	761	5,106
Straight-line rent revenue	104	(375)	479	(345)	(1,556)	1,211
IFRIC 21 property tax adjustment	(5,418)	(5,568)	150	(1,526)	(802)	(724)
Adjusted EBITDA	**$ 28,835**	**$ 20,869**	**$ 7,966**	**$ 94,433**	**$ 79,393**	**$ 15,040**

INTEREST COVERAGE RATIO

In addition to the REIT's level of indebtedness calculated in accordance with the REIT's Declaration of Trust, management also monitors the REIT's interest coverage ratio, which is a non-IFRS measure. The interest coverage ratio is useful in determining the REIT's ability to service the interest requirements of its outstanding debt. The interest coverage ratio is calculated by dividing Adjusted EBITDA by the REIT's interest obligations for the period. Management utilizes this ratio to measure and monitor leverage. Additionally, Adjusted EBITDA is also a non-IFRS measure and is used by the REIT to monitor its interest coverage ratio as well as monitor requirements imposed by the REIT's lenders. Management views Adjusted EBITDA as a proxy for operating cash flow prior to interest costs.

The following is a calculation of Adjusted EBITDA and the REIT's interest coverage ratio:

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
NOI	$ 31,885	$ 22,583	$ 104,854	$ 89,904
General and administrative expenses	(3,050)	(1,714)	(10,421)	(10,511)
Adjusted EBITDA	**$ 28,835**	**$ 20,869**	**$ 94,433**	**$ 79,393**
Cash interest paid	(9,690)	(8,508)	(34,843)	(32,137)
Interest coverage ratio	**2.98x**	**2.45x**	**2.71x**	**2.47x**

The interest coverage ratio increased from 2.45x to 2.98x for the three month period ended December 31, 2021. For the year ended December 31, 2021, the interest coverage ratio increased from 2.47x to 2.71x. The increases are mainly due to increases in NOI from the aforementioned acquisitions, partially offset by increases in cash interest paid.

LIQUIDITY AND CAPITAL RESOURCES

The principal liquidity needs of the REIT arise from: (i) working capital requirements, (ii) debt servicing and repayment obligations which includes the term loans, revolver and the mortgages, (iii) distributions to unitholders, (iv) planned funding of maintenance capital expenditures and leasing costs, and (v) future property acquisition funding requirements.

Cash flows from operating the REIT's property portfolio, available funding under the REIT's revolver, and cash on hand represent the primary sources of liquidity. Cash flows from operations are dependent upon occupancy levels, rental rates, collection of rents, recoveries of operating costs and operating costs. Working capital requirements of the REIT primarily include the payment of operating expenses, leasing costs, maintenance capital and distributions. Working capital needs are generally funded through cash generated from operations, which has historically exceeded such requirements.

The REIT manages its cash flow from operating activities by maintaining a target debt level. The debt to gross book value, as defined in the Declaration of Trust, as at December 31, 2021 is 54.0% (December 31, 2020 – 54.9%).

Contractual commitments

The REIT has the following contractual commitments:

	Total contractual cash flow	2022	2023-2024	2025-2026	Thereafter
Accounts payable and accrued liabilities	$ 30,039	$ 30,039	$ —	$ —	$ —
Revolver [1 2]	191,853	—	191,853	—	—
Revolver interest payable [1 2 3]	13,017	5,005	8,012	—	—
Term loan [1 2]	225,000	—	—	225,000	—
Term loan interest payable [1 2]	22,138	5,454	14,930	1,754	—
Term loan 2 [2 4]	83,000	—	83,000	—	—
Term loan 2 interest payable [2 4]	2,271	2,012	259	—	—
Mortgages [5]	634,446	47,960	123,548	239,107	223,831
Mortgage interest payable [5]	126,850	24,400	46,085	24,821	31,544
Interest rate swap, net of cash outflows	18,936	9,567	7,715	1,654	—
Exchangeable units of subsidiaries	12,302	—	—	—	12,302
Total	**$ 1,359,852**	**$ 124,437**	**$ 475,402**	**$ 492,336**	**$ 267,677**

[1] Revolver and term loan interest payable is calculated on $191.9 million and $225.0 million (balance outstanding) using an estimated "all in" interest rate of 2.52% and 2.42% respectively under the "2022" column. The long-term average interest rate is based on the 30-day LIBOR forward curve plus the specified margin for the LIBOR rate option under the term loan resulting in an "all-in" interest rate of 2.33%. The total revolver and term loan interest payable is calculated until maturity of the initial term.

[2] Excludes the impact of the REIT's $450.0 million pay-fixed, receive-float interest rate swaps that hedge a portion of the cash flow risk associated with one-month U.S. LIBOR based interest payments.

[3] Includes stand-by fee on the revolver to be paid in an amount equal to 0.25% of the unused portion of the revolver where the unused portion is greater than or equal to 50% of the maximum amount available and 0.15% of the unused portion of the revolver where the unused portion is less than 50% of the maximum amount available, calculated daily.

[4] Term loan 2 interest payable is calculated on $83.0 million (balance outstanding) using an estimated "all in" Interest rate of 2.42% under the "2022" column. The long-term average interest rate is based on the 30-day LIBOR curve plus the specified margin for the LIBOR rate option under the term loan 2 and results in an anticipated increase to the "all-in" interest rate to 2.92%. The total term loan 2 interest payable is calculated until maturity.

[5] Includes the REIT's share of debt held in its joint ventures.

REIT UNITS AND EXCHANGEABLE UNITS OF SUBSIDIARIES

The units of the REIT are presented as equity instruments while exchangeable units of subsidiaries are presented as financial liabilities in accordance with IAS 32, *Financial Instruments: Presentation.*

The exchangeable units of subsidiaries are redeemable at the option of the holder for cash or class U units of the REIT as determined by the REIT. Distributions paid on exchangeable units of subsidiaries are recorded as unit expense in the period in which they become payable. The exchangeable units of subsidiaries are measured at fair value at each reporting period with any changes in fair value recognized in net and income.

REIT units and exchangeable units of subsidiaries outstanding for the year ended December 31, 2021 and their respective class U equivalent amounts if converted are as follows:

	REIT units			Exchangeable units of subsidiaries			
Class / type	U	A	I	SG1	SG2	GAR B	Total class U units equivalent
Balance, December 31, 2020	46,865	205	282	28	920	132	48,432
Issued under equity offering	11,420	—	—	—	—	—	11,420
Exchanged	57	(57)	—	—	—	—	—
Class U units equivalent, December 31, 2021	**58,342**	**148**	**282**	**28**	**920**	**132**	**59,852**

Normal course issuer bid

The REIT had a normal course issuer bid ("NCIB") in place between May 26, 2020 to May 26, 2021. No class U units were purchased and subsequently canceled under the NCIB.

Public offerings

On March 31, 2021, the REIT issued 11,420,000 subscription receipts at a price of C$11.65 per subscription receipt, for gross proceeds of C$133.0 million in connection with the Acquisition. Concurrently with the Acquisition on September 22, 2021, the subscription receipts were automatically exchanged for one class U unit of the REIT and a cash distribution equivalent payment of $0.4268 being equal to the aggregate amount of distributions paid by the REIT per unit for which record dates occurred between March 31, 2021 and September 22, 2021. The cash distribution equivalent payment of $4.9 million has been recorded in interest and finance costs.

On December 10, 2020, the REIT completed a public offering of 6,360,000 class U units, at a price of C$11.80 per unit, for gross proceeds of approximately C$75.1 million. The costs related to the offering totaled and are deducted against the cost of units issued. Net proceeds, totaling $55.4 million were used to repay the revolver.

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	December 31, 2021	December 31, 2020
Accounts payable and accrued liabilities	$ 12,776	$ 13,742
Prepaid rent	5,236	2,478
Tenant improvements payable	5,823	318
Taxes payable	310	—
Other payables	5,894	3,749
Total	**$ 30,039**	**$ 20,287**

Included in trade payables and accrued liabilities are operating expenses, property taxes, and capital and leasing expenses. Other payables include trustee fees, accrued interest payable and other non-operating items.

ACCOUNTS RECEIVABLE

The accounts receivable balance is comprised of the following:

	December 31, 2021	December 31, 2020
Rent receivable	$ 6,742	$ 5,140
Allowance	(1,181)	(852)
Accrued recovery income	5,122	5,087
Other receivables	6,890	3,453
Total	**$ 17,573**	**$ 12,828**

Rent receivable consists of base rent and operating expense recoveries. Management has provided for $1.2 million (December 31, 2020 – $0.9 million) as an allowance for doubtful accounts and anticipates that the unprovided balance is collectible. As a result of the COVID-19 pandemic, the REIT has entered into short-term rent deferral programs, totaling $1.2 million, that have been collected in full as of June 30, 2021.

Accrued recovery income represents amounts that have not yet been billed to tenants for operating expenses, mainly real estate taxes, and are generally billed and paid in the following year. Other receivables is primarily comprised of the gross amount of consideration for property taxes paid directly by tenants.

The aging analysis of rent receivable past due but not impaired, net of allowance for doubtful accounts, is as follows:

	December 31, 2021	December 31, 2020
Current to 30 days	$ 3,151	$ 1,829
31 to 60 days	981	302
61 to 90 days	144	626
Greater than 90 days	1,285	1,531
Total	**$ 5,561**	**$ 4,288**

The net amounts aged greater than 90 days are at various stages of the collection process and are considered collectible by management.

JOINT VENTURE INVESTMENTS

On September 22, 2021, the REIT acquired interest in two joint ventures as a part of the Acquisition as follows:

Portfolio	REIT's interest	Location	Purchase price
Tom Thumb Portfolio	90% – 95%	Texas, Florida and California	$ 25,576
Other Grocery Portfolio	85%	New York and Indiana	31,197
Total			**$ 56,773**

The REIT accounts for its joint venture investments using the equity method. The table below summarizes the REIT's investment in joint ventures:

			December 31, 2021		December 31, 2020	
Portfolio	Anchors	State	Number of properties	Ownership interest	Number of properties	Ownership interest
Tom Thumb Portfolio	Tom Thumb, Walmart and Raley's	Texas, Florida and California	10	90% – 95%	N/A	N/A
Other Grocery Portfolio	Stop & Shop, Price Chopper, Acme Markets and Strack & Van Til	New York and Indiana	4	85%	N/A	N/A
Kroger Portfolio	Kroger	Michigan	1	50%	1	50%

The change in the REIT's joint venture investments are as follows:

				December 31, 2021	December 31, 2020
	Tom Thumb Portfolio	Other Grocery Portfolio	Other	Total	Total
Beginning of the period	$ —	$ —	$ 3,474	$ 3,474	$ 5,049
Initial investment	25,576	31,197	—	56,773	—
Working capital contributions	7,130	3,542	—	10,672	—
Net cost of equity investment	**$ 32,706**	**$ 34,739**	**$ 3,474**	**$ 70,919**	**$ 5,049**
(Distributions) contributions	(1,142)	(3,338)	376	(4,104)	—
Share of income (loss) in joint venture investments	15,144	6,311	(966)	20,489	(1,575)
End of the period	**$ 46,708**	**$ 37,712**	**$ 2,884**	**$ 87,304**	**$ 3,474**

The financial position of the REIT's joint venture investments are as follows:

	Tom Thumb Portfolio	Other Grocery Portfolio	Other	December 31, 2021 Total	December 31, 2020 Total
Assets					
Property	$ 169,556	$ 147,294	$ 19,600	$ 336,450	$ 21,690
Other non-current assets	2,116	2,051	—	4,167	—
Current assets	5,207	2,248	2,548	10,003	1,181
Total assets	**$ 176,879**	**$ 151,593**	**$ 22,148**	**$ 350,620**	**$ 22,871**
Liabilities					
Debt	$ 124,884	$ 56,926	$ 15,168	$ 196,978	$ 13,758
Other non-current liabilities	—	1,433	23	1,456	15
Current liabilities	2,039	48,865	1,191	52,095	2,150
Total liabilities	**$ 126,923**	**$ 107,224**	**$ 16,382**	**$ 250,529**	**$ 15,923**
Net assets at 100%	**$ 49,956**	**$ 44,369**	**$ 5,766**	**$ 100,091**	**$ 6,948**
At the REIT's interest	**$ 46,708**	**$ 37,712**	**$ 2,884**	**$ 87,304**	**$ 3,474**

The following is a summary of income of the REIT's joint venture investments:

	Tom Thumb Portfolio	Other Grocery Portfolio	Other	Year ended December 31, 2021	2020
Rental revenue	$ 4,262	$ 4,671	$ 2,045	$ 10,978	$ 1,804
Property operating expenses	(719)	(816)	(774)	(2,309)	(418)
General and administrative expenses	(401)	(410)	(18)	(829)	(280)
Interest and finance costs	(1,194)	(725)	(561)	(2,480)	(608)
Change in fair value of financial instruments	—	327	—	327	—
Change in fair value of property	14,167	4,379	(2,623)	15,923	(3,648)
Net income (loss) and comprehensive income (loss) at 100%	**$ 16,115**	**$ 7,426**	**$ (1,931)**	**$ 21,610**	**$ (3,150)**
At the REIT's interest	**$ 15,144**	**$ 6,311**	**$ (966)**	**$ 20,489**	**$ (1,575)**

Debt refinancing

On July 2, 2021, the REIT refinanced the first mortgage loan in relation to the Kroger Portfolio or $15.5 million (2020 – $13.4 million). The mortgage bears interest at 3.05% and matures on August 1, 2026.

On September 30, 2021, the REIT refinanced the mortgage loan in relation to the Other Grocery Portfolio for $19.2 million (2020 – nil). The mortgage bears interest at 3.75% and matures on October 1, 2026.

Management fees

Pursuant to the terms of the property management and leasing agreement and the development services agreement the REIT provides property, leasing and development management services for its Kroger joint venture investment located in Michigan. In return for its services, the REIT receives the following fees:

- property management fees calculated based on gross income of each tenant;
- development fees for the management of the construction in adherence with the property's development plan; and
- leasing commissions for all executed leases.

Total management fees earned by the REIT under the agreement were $18 thousand for the year ended December 31, 2021 (December 31, 2020 – $0.2 million).

NON-CONTROLLING INTEREST

On September 22, 2021, the REIT acquired all of the rights and obligations relating to the management of a grocery-anchored portfolio comprising 11 properties and 1.3 million square feet in major metro markets in New York, Ohio and Georgia.

As a result of the acquisition of the management rights and other factors it was determined that the REIT obtained control with respect to its 90.0% investment in the Tops Portfolio. The portfolio is valued at $151.9 million, less the assumption of debt and subject to other adjustments. The operational results of these properties have been included in these consolidated financial statements from the date of acquisition.

The net assets attributable to the non-controlling interest and the REIT is as follows:

		December 31, 2021
Assets		
Property	$	157,556
Current assets		6,466
Total Assets	**$**	**164,022**
Liabilities		
Debt	$	112,248
Current liabilities		2,761
Total Liabilities	**$**	**115,009**
Net Assets	**$**	**49,013**
Net assets attributable to		
Unitholders of the REIT	**$**	**44,112**
Non-controlling interest	**$**	**4,901**

The income attributable to the non-controlling interest and the REIT is as follows:

		December 31, 2021
Rental revenue	$	4,859
Property operating expenses		(1,092)
General and administrative expenses		(117)
Interest and finance costs		(1,214)
Change in fair value of property		2,805
Net income	**$**	**5,241**
Net income attributable to		
Unitholders of the REIT	$	4,718
Non-controlling interest	$	523

The cash flows attributable to the non-controlling interest and the REIT is as follows:

		December 31, 2021
Cash flows from		
Operating activities	$	523
Investing activities		—
Financing activities		(171)
Increase in cash	**$**	**352**
Cash, as of acquisition date		**2,466**
Cash, end of period	**$**	**2,818**

SUBSEQUENT EVENT

On January 15, 2022 and February 15, 2022, the REIT declared monthly distributions of $0.072 per class U unit. Holders of class A units, class I units and units of subsidiaries of the REIT were also entitled to receive an equivalent distribution.

PART V – ACCOUNTING AND CONTROL

USE OF ESTIMATES

The preparation of the REIT consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management's estimates are based on historical experience and other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions.

CRITICAL ACCOUNTING ESTIMATES

The REIT has identified the estimate of the fair value of its properties as a critical accounting estimate due to the significance of the estimate to the REIT's financial position and impact of changes on fair value to net income. Estimating the fair value of real property is characterized by uncertainty, both in terms of differences between different methods of valuation but also in the selection of assumptions to reflect the property being valued, certain of which are subjective. There is no assurance that management's, or a third-party's, estimate of fair value would be realized on sale due to the specific and unique aspects of real property, including their location, liquidity, tenants and the local demand and supply of competing properties for tenants.

The REIT determines the fair value of properties based upon the overall income capitalization rate method, the discounted cash flow method, direct comparison approach or through a combination of methods. All methods are generally accepted appraisal methodologies. If a third-party appraisal is not obtained for a property, management uses one or a combination of the overall income capitalization rate method and the discounted cash flow method. In certain circumstances, the direct comparison approach is used by comparing properties to similar properties that have sold, but adjusting for differences in the nature, location and other relevant considerations of the properties. The valuation methodology used, or combination of methodologies used, is based on the applicability and reliability of the relative approaches in the context of the subject property.

The fair values of properties are measured individually without consideration to their aggregate value on a portfolio basis. No consideration is given to diversification benefits related to single property tenant risk and geography, the value of assembling a portfolio or to the utilization of a common management platform, amongst other benefits. As a result, the fair value of the REIT's properties taken in aggregate may differ from the fair value of properties measured individually in the REIT's consolidated statements of financial position.

The following is a summary of the methodologies undertaken by management to estimate the fair value of the REIT's properties:

Overall income capitalization approach

The overall income capitalization approach evaluates a property's potential to generate cash flows and converts those cash flows into a present value. Generally, the REIT estimates a stabilized NOI and applies a capitalization rate to that income to estimate fair value. Stabilized NOI is determined as the property's potential gross income that could be generated at full capacity, less a vacancy and collection allowance. The capitalization rate used is derived from analysis of comparable sales data and the relative relationship of other properties' NOI over their sale price and industry surveys. In many cases, industry surveys are available that provide indicative ranges of capitalization rates for recently sold properties or views on value, however, certain adjustments are required to adjust for the specific nature, location and quality of properties.

Direct comparison approach

This approach involves comparing properties similar to the property for which fair value is being estimated and making adjustments to reconcile differences in size, location, nature and the quality of the property.

A summary of the significant assumptions used in the REIT's estimate of fair value as at December 31, 2021 is included on page 31 of this MD&A. Changes in these assumptions would have a significant impact on the REIT's estimate of fair value, which can be impacted by changes in demand for properties similar to those owned by the REIT, expectations of market rents, the covenant quality of tenants and the general economic environment.

The REIT determines the fair value of properties based upon the overall income capitalization rate method. Historically, estimates of fair value have in certain instances included valuations completed for transaction or lending purposes, in which case a discounted cash flow approach was also used.

ACCOUNTING POLICIES

i. Application of IFRS

Basis of consolidation

The consolidated financial statements include the accounts of the REIT and its subsidiaries in accordance with IFRS 10, *Consolidated Financial Statements.* Intercompany transactions and balances have been eliminated on consolidation.

A subsidiary is an entity over which the REIT has control. Control exists when the REIT has power over an investee, is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of a subsidiary are changed when necessary to align them with the policies applied by the REIT in these consolidated financial statements.

Changes in the REIT's ownership interests in subsidiaries that do not result in the REIT losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the REIT's interests and any non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the unitholders of the REIT. When the REIT loses control of a subsidiary, for example through sale or partial sale, a gain or loss is recognized and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests.

Joint arrangements

A joint arrangement is a contractual arrangement in which the REIT has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the return of an arrangement. The REIT classifies joint arrangements as either joint operations or joint ventures.

A joint operation is a joint arrangement wherein the parties have rights to the assets and obligations for the liabilities. The REIT's interest in a joint operation is accounted for based on the REIT's interest in those assets, liabilities, revenues and expenses.

A joint venture is a joint arrangement wherein the parties have rights to the net assets. The REIT's investments in joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the REIT's share of net assets of the joint venture since the acquisition date. The consolidated statement of income reflects the REIT's share of the results of operations of the joint venture. Any change in other comprehensive income ("OCI") of the joint venture is presented as part of the REIT's consolidated statement of comprehensive income.

Application of Interest Rate Benchmark Reform

In August 2020, the IASB issued IBOR Reform and the Effects on Financial Reporting – Phase II (amendments to IFRS 9, IFRS 7, IAS 39, IFRS 4 – Insurance Contracts and IFRS 16). The objective of the second phase of the IASB's project was to assist entities in providing useful information about the effects of the transition to alternative benchmark rates and support preparers in applying the requirements of the IFRS Standards when changes are made to contractual cash flows or hedging relationships as a result of the transition to an alternative benchmark interest rate. The amendments affect the basis for determining the contractual cash flows as a result of benchmark interest rate reform, hedge accounting and disclosures. The REIT has adopted the amendments on January 1, 2021. Adopting these amendments has allowed the REIT to continue hedge accounting during the period of uncertainty arising from interest rate benchmark reforms. Refer to note 25 for further details.

CONTROL AND PROCEDURES

The REIT's management, under the supervision of its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), is responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as such terms are defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109").

DC&P are those controls and other procedures that are designed to provide reasonable assurance that all material information required to be disclosed by the REIT in annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation. Furthermore, DC&P are those controls and other procedures that are designed to ensure that material information required to be disclosed by the REIT in annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the REIT's management, including its CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The REIT has applied the *Internal Control – Integrated Framework (2013)* published by the Committee of Sponsoring Organizations of the Treadway Commission for the design of its ICFR for the year ended December 31, 2021.

As required by NI 52-109, the REIT's CEO and CFO have evaluated the effectiveness of the REIT's DC&P and ICFR. Based on such evaluations, the CEO and CFO have concluded that the design and operation of the REIT's DC&P and ICFR, as applicable, are adequately designed and effective, as at December 31, 2021.

No changes were made in the REIT's design of ICFR during the year ended December 31, 2021, that have materially affected, or are reasonably likely to materially affect, the REIT's ICFR.

In designing such controls, it should be recognized that due to inherent limitations, any controls or control systems, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the control system are met. As a result of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected or prevented. These inherent limitations include, without limitation, (i) the possibility that management's assumptions and judgments may ultimately prove to be incorrect under varying conditions and circumstances; or (ii) the impact of isolated errors.

Additionally, controls may be circumvented by unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PART VI – PROPERTY TABLES

At December 31, 2021, the REIT owns a portfolio of 107 grocery-anchored properties. The portfolio consists of 13.2 million square feet of GLA with an occupancy rate of 93.6%.

Property	Location	Associated MSA	Area (SF)	% of Total	Occ. %	Anchor
Beach Shopping Center	Peekskill	New York–Newark–Bridgeport	204,532		88.4%	Stop & Shop
Mid-Valley Mall	Newburgh	New York–Newark–Bridgeport	207,721		79.4%	Market 32
Panorama Plaza	Penfield	Rochester-Batavia-Seneca Falls	250,804		87.3%	Tops Markets
Orchard Park	Orchard Park	Buffalo-Niagara Falls	150,990		77.2%	Tops Markets
Cheektowaga	Cheektowaga	Buffalo-Niagara Falls	136,318		91.4%	Tops Markets
Amherst	Amherst	Buffalo-Niagara Falls	128,896		91.5%	Tops Markets
Ontario	Ontario	Rochester-Batavia-Seneca Falls	69,336		93.5%	Tops Markets
LeRoy	LeRoy	Rochester-Batavia-Seneca Falls	56,472		95.0%	Tops Markets
Jamestown	Jamestown	Jamestown-Dunkirk-Fredonia	88,201		94.2%	Tops Markets
Warsaw	Warsaw	Buffalo-Niagara Falls	66,695		78.2%	Tops Markets
Culver Ridge Plaza	Irondequoit	Rochester-Batavia-Seneca Falls	202,596		91.9%	Marshalls
Mahopac Village Center	Mahopac	New York–Newark–Bridgeport	126,379		96.4%	Acme Markets
Total New York			**1,688,940**	**12.8%**		
98 Palms	Destin	Crestview-Fort Walton Beach-Destin	84,682		97.9%	Winn-Dixie
Bellview Plaza	Pensacola	Pensacola	82,910		96.4%	Publix
Bloomingdale Plaza	Brandon	Tampa-St. Petersburg	83,237		93.4%	Urban Air
Cordova Commons	Pensacola	Pensacola	164,343		100.0%	The Fresh Market
Errol Plaza	Orlando	Orlando	76,582		100.0%	Winn-Dixie
Eustis Village	Eustis	Orlando	156,927		100.0%	Publix
Good Homes Plaza	Ocoee	Orlando	165,741		100.0%	Publix
Oak Hill Village	Jacksonville	Jacksonville	78,492		93.8%	Publix
Salerno Village Square	Stuart	Port St. Lucie	77,677		94.7%	Winn-Dixie
Uptown Station	Fort Walton Beach	Pensacola	272,616		91.6%	Winn-Dixie
Wedgewood Commons	Stuart	Port St. Lucie	119,073		91.1%	Publix
Mission Hills Shopping Center	Naples	Naples	85,078		100.0%	Winn-Dixie
Barclay Square	Largo	Tampa-St. Petersburg	89,149		83.1%	Walmart
Total Florida			**1,536,507**	**11.7%**		
11 Galleria	Greenville	Greenville	55,608		71.2%	The Fresh Market
Battleground Village	Greensboro	Greensboro-High Point	73,207		92.2%	Aldi
Flowers Plantation	Clayton	Raleigh	53,500		100.0%	Food Lion
Fuquay Crossing	Fuquay-Varnia	Raleigh	96,638		94.0%	Harris Teeter
Independence Square	Charlotte	Charlotte	190,361		98.3%	Super Global Mart
Mooresville Consumer Square	Mooresville	Charlotte	272,860		95.2%	Walmart
Mooresville Town Square	Mooresville	Charlotte	98,262		99.0%	Lowe's Foods
Harper Hills Commons	Winston-Salem	Winston-Salem	96,914		90.8%	Harris Teeter
Renaissance Square	Davidson	Charlotte	80,467		89.2%	Harris Teeter
Alexander Pointe	Salisbury	Charlotte	57,710		100.0%	Harris Teeter
North Summit Square	Winston-Salem	Winston-Salem	224,530		95.7%	Sam's Club
Bells Fork Square	Greenville	Greenville	71,666		95.7%	Harris Teeter
Tanglewood Commons	Clemmons	Winston-Salem	78,520		92.9%	Harris Teeter
Westin Centre	Fayetteville	Fayetteville	66,890		97.9%	Food Lion
Total North Carolina			**1,517,133**	**11.5%**		
Lake Raystown Plaza	Huntingdon	Harrisburg	140,159		97.3%	Giant Food Store
Northland Center	State College	State College	111,718		95.9%	Giant Food Store
Norwin Town Square	North Huntingdon	Pittsburgh	141,466		93.8%	Shop n' Save
Shops at Cedar Point	Allentown	Allentown-Bethlehem-Easton	130,583		94.5%	Weis Markets
Summit Ridge	Mount Pleasant	Pittsburgh	240,884		95.1%	Walmart
West Valley Marketplace	Allentown	Allentown-Bethlehem-Easton	259,207		95.6%	Walmart
Total Pennsylvania			**1,024,017**	**7.8%**		

Property	Location	Associated MSA	Area (SF)	% of Total	Occ. %	Anchor
Barefoot Commons	North Myrtle Beach	Myrtle Beach-Conway	90,702		93.3%	Food Lion
Dill Creek Commons	Greer	Greenville-Spartanburg-Anderson	72,526		100.0%	Food Lion
Dorman Centre	Spartanburg	Greenville-Spartanburg-Anderson	388,502		94.3%	Walmart
Little River Pavilion	North Myrtle Beach	Myrtle Beach-Conway	63,823		95.6%	Lowe's Foods
North Augusta Plaza	North Augusta	Augusta-Richmond	229,730		95.2%	Publix
Total South Carolina			**845,283**	**6.4%**		
14th Street Market	Plano	Dallas-Ft Worth	75,458		100.0%	Tom Thumb
Flower Mound Crossing	Flower Mound	Dallas-Ft Worth	80,221		94.1%	Club 4 Fitness
Cross Timbers Court	Flower Mound	Dallas-Ft Worth	77,111		100.0%	Tom Thumb
Park West Plaza	Grapevine	Dallas-Ft Worth	78,828		90.3%	Tom Thumb
The Highlands	Flower Mound	Dallas-Ft Worth	86,399		89.7%	Tom Thumb
Heritage Heights	Grapevine	Dallas-Ft Worth	87,895		100.0%	Tom Thumb
Hunters Glen Crossing	Plano	Dallas-Ft Worth	92,468		98.8%	Tom Thumb
Alta Mesa Plaza	Fort Worth	Dallas-Ft Worth	167,961		83.6%	Kroger
Josey Oaks Crossing	Carrollton	Dallas-Ft Worth	85,698		98.0%	Tom Thumb
Total Texas			**832,038**	**6.3%**		
Abbott's Village	Alpharetta	Atlanta	109,586		98.1%	Publix
Birmingham Shoppes	Milton	Atlanta	82,905		94.5%	Publix
Duluth Station	Duluth	Atlanta	94,966		87.5%	Publix
Locust Grove	Locust Grove	Atlanta	89,567		96.9%	Publix
Merchants Crossing	Newnan	Atlanta	174,059		98.1%	Kroger
Robson Crossing	Flowery Branch	Atlanta	103,840		97.5%	Publix
Midway Plaza	Loganville	Atlanta	82,076		95.6%	Kroger
Parkway Station	Warner Robins	Atlanta	94,317		97.0%	Kroger
Total Georgia			**831,316**	**6.3%**		
Cambridge Crossings	Troy	Detroit	238,963		93.4%	Walmart
Canton Shopping Center	Canton	Detroit	72,631		96.4%	Aldi
City Center Plaza	Westland	Detroit	97,670		95.6%	Kroger
Stadium Center	Port Huron	Detroit-Warren-Dearborn	92,538		91.0%	Kroger
Windmill Plaza	Sterling Heights	Detroit	101,611		93.9%	Kroger
Total Michigan			**603,413**	**4.6%**		
East Brainerd Mall	Brainerd	Minneapolis-St Paul	191,459		95.6%	Cub Foods
Mapleridge Center	Maplewood	Minneapolis-St Paul	114,681		90.7%	Hy-Vee
North Branch Marketplace	North Branch	Minneapolis-St Paul	72,895		100.0%	County Market
Phalen Retail Center	St Paul	Minneapolis-St Paul	73,678		97.8%	Cub Foods
Plymouth Station	Plymouth	Minneapolis-St Paul	114,069		93.0%	Hy-Vee
Total Minnesota			**566,782**	**4.3%**		
Hocking Valley Mall	Lancaster	Columbus	181,393		96.2%	Kroger
Chillicothe Place	Chillicothe	Columbus–Marion–Zanesville	213,083		100.0%	Kroger
Mulberry Square	Milford	Cincinnati	146,763		77.4%	Kroger
Total Ohio			**541,239**	**4.1%**		
Highland Square	Crossville	Nashville	179,732		98.2%	Kroger
North Hixson Marketplace	Hixson	Chattanooga	64,254		95.4%	Food City
St. Elmo Central	Chattanooga	Chattanooga	74,999		100.0%	Food City
Sunset Plaza	Johnson City	Johnson City	143,752		100.0%	Kroger
Westhaven Town Center	Franklin	Nashville	63,904		100.0%	Kroger
Total Tennessee			**526,641**	**4.0%**		
East Little Creek	Norfolk	Virginia Beach-Norfolk-Newport News	68,770		96.1%	Kroger
Bermuda Crossroads	Chester	Richmond	122,566		96.7%	Food Lion
Gainsborough Square	Chesapeake	Virginia Beach-Norfolk-Newport News	88,862		92.8%	Food Lion
Indian Lakes Crossings	Virginia Beach	Virginia Beach-Norfolk-Newport News	64,973		100.0%	Harris Teeter
Smithfield Shopping Plaza	Smithfield	Virginia Beach-Norfolk-Newport News	134,664		95.8%	Kroger
Total Virginia			**479,835**	**3.6%**		

Property	Location	Associated MSA	Area (SF)	% of Total	Occ. %	Anchor
Glidden Crossing	DeKalb	Chicago-Naperville-Joliet	98,683		88.4%	Schnucks
North Lake Commons	Lake Zurich	Chicago-Naperville-Joliet	121,099		86.8%	Jewel-Osco
Prairie Point	Aurora	Chicago–Naperville–Elgin	91,535		98.3%	Mariano's
Plaza St. Clair	Fairview Heights	St. Louis	97,459		71.1%	Schnucks
Total Illinois			**408,776**	**3.1%**		
Charles Town Plaza	Charles Town	Washington-Baltimore	206,146		97.6%	Walmart
Eastpointe Shopping Center	Clarksburg	Morgantown	181,016		96.0%	Kroger
Total West Virginia			**387,162**	**2.9%**		
Southgate Crossing	Minot	Minot	159,780		78.4%	Cash Wise
Watford Plaza	Watford City	Williston	101,798		100.0%	Cash Wise
Total North Dakota			**261,578**	**2.0%**		
Crossroads Shopping Center	Schererville	Chicago–Naperville–Elgin	129,314		86.0%	Strack & Van Til
Glenlake Plaza	Indianapolis	Indianapolis-Carmel-Anderson	104,679		85.3%	Kroger
Total Indiana			**233,993**	**1.8%**		
Pine Creek Shopping Center	Grass Valley	Sacramento-Roseville	194,873		87.4%	Raley's
Total California			**194,872**	**1.5%**		
Derry Meadows Shoppes	Derry	Manchester-Nashua	151,946		93.2%	Hannaford Brothers
Total New Hampshire			**151,946**	**1.2%**		
Taylorsville Town Center	Taylorsville	Salt Lake City	127,507		97.5%	Macey's Fresh
Total Utah			**127,507**	**1.0%**		
Forest Plaza	Fond du Lac	Fond du Lac	123,028		100.0%	Pick 'n Save
Total Wisconsin			**123,028**	**0.9%**		
Stone House Square	Hagerstown	Washington-Baltimore	112,274		93.1%	Weis Markets
Total Maryland			**112,274**	**0.8%**		
Westminster Plaza	Westminster	Denver Aurora-Lakewood	98,975		94.2%	VASA Fitness
Total Colorado			**98,975**	**0.8%**		
Stonefield Square	Louisville	Louisville	80,866		91.0%	Crunch Fitness
Total Kentucky			**80,866**	**0.6%**		
Total / WA			**13,174,121**	**100.0%**	**93.6%**	

Corporate Information

Slate Grocery REIT is an unincorporated, open-ended investment trust fund under and governed by the laws of the Province of Ontario. The REIT focuses on acquiring, owning and leasing a portfolio of grocery-anchored real estate properties. The REIT has a current portfolio that spans 13.2 million square feet of GLA and consists of 107 critical real estate properties located in the U.S.

Head Office
Slate Grocery REIT
121 King Street W, Suite 200
Toronto, ON M5H 3T9
T +1 416 644 4264
F +1 416 947 9366
E info@slateam.com

Independent Auditors
Deloitte LLP
Chartered Professional Accountants
Toronto, Canada

Stock Exchange Listing and Symbol
The REIT's units are listed on the Toronto Stock Exchange and trade under the symbols SGR.U (quoted in US dollars) and SGR.UN (quoted in Canadian dollars)

Registrar and Transfer Agent
TSX Trust Company
301 - 100 Adelaide Street W
Toronto, ON M5H 4H1
T +1 416 361 0930
F +1 416 361 0470

The REIT's website www.slategroceryreit.com provides additional information regarding the REIT's portfolio. investment strategy, management and corporate governance. Additionally, the Investor section includes news, presentations, events, regulatory filings and stock information.