

Slate Grocery REIT

Investor Update

Q4 2023



SLATE

Slate Grocery REIT – Overview

100%

Pure-play grocery-
anchored focused

SGR.UN

TSX-Listed

\$2.4B

Asset value ^{1,2}

117

Properties
All U.S. locations ¹

15.3M

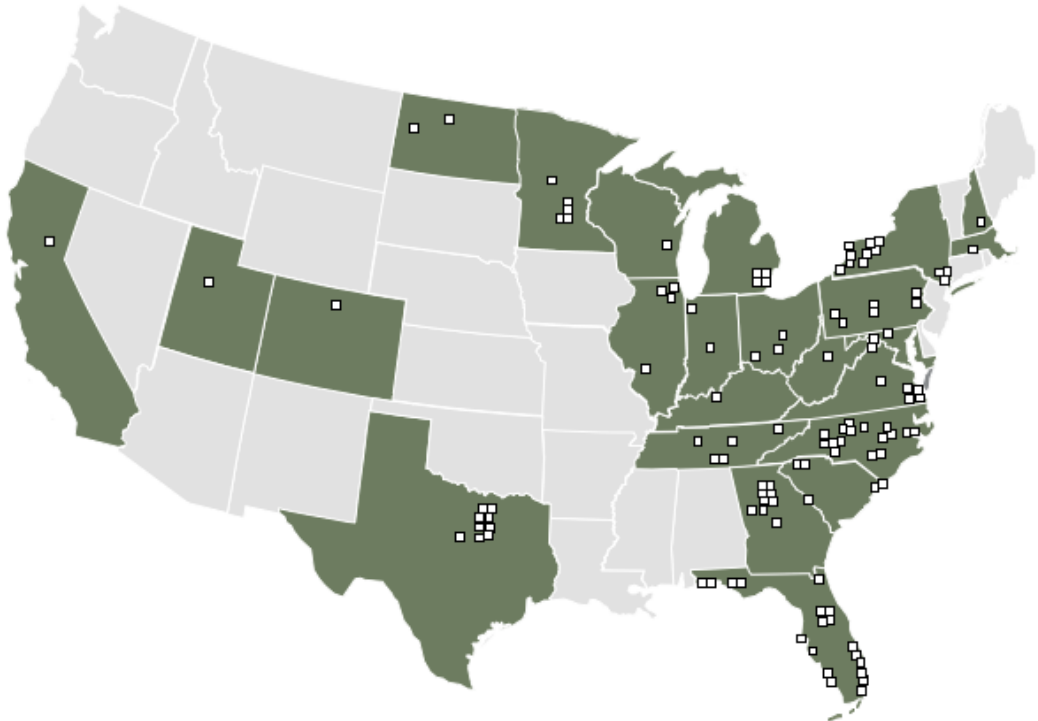
Square feet ¹

24

States ¹

\$12.41

PSF in-place rent ¹



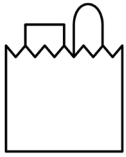
Note: Amounts are in US\$.
¹ As at December 31, 2023.
² Includes the REIT's proportionate share of its joint ventures.



Outlook on Grocery



Why Grocery Real Estate?



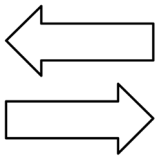
Necessity Based

- Consumers require food and essential items in all economic conditions



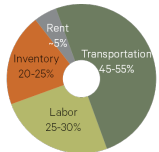
Defensive Asset Class with Historically Resilient Income Streams

- Grocery has a proven ability to outperform in periods of economic volatility



Facilitates Omni-Channel Distribution

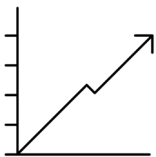
- All purchase methods, including e-commerce, require brick-and-mortar stores to facilitate the pick-up or delivery of goods to consumers



Supply Chain Cost Breakdown ¹

Supply Chain Cost Efficiencies

- Grocery stores near end consumers optimize both transportation costs and fulfillment timing



Strong Real Estate Fundamentals

- Strong tenant demand, low vacancy and limited new construction provides the backdrop for continued rent growth ²



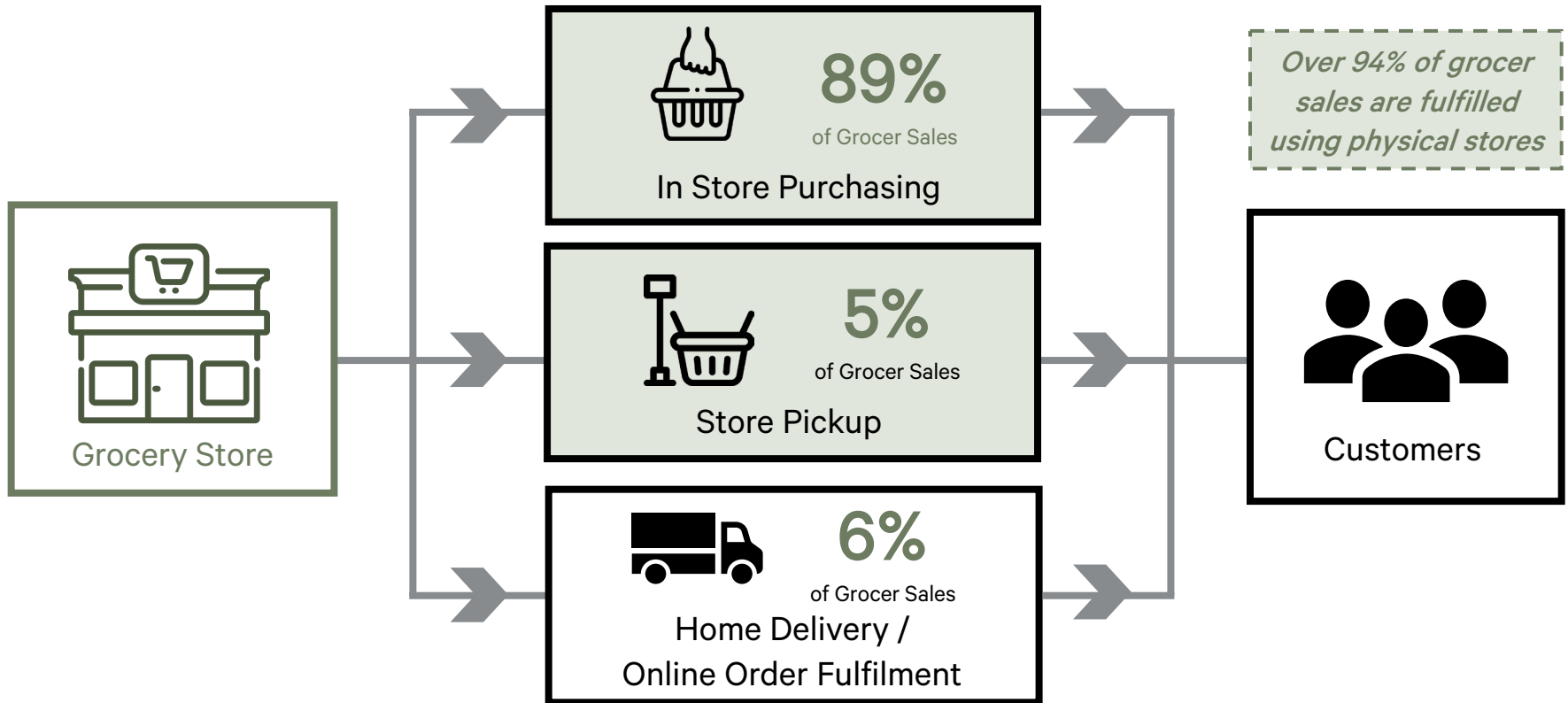
Mooresville Consumer Square, Charlotte, NC

¹Source: Prologis Research.

²Source: CBRE Econometric Advisors.

Grocery Stores Facilitate the Last Mile

Grocery stores play a critical role in distributing food and other essential goods to end consumers by facilitating the last mile of food logistics



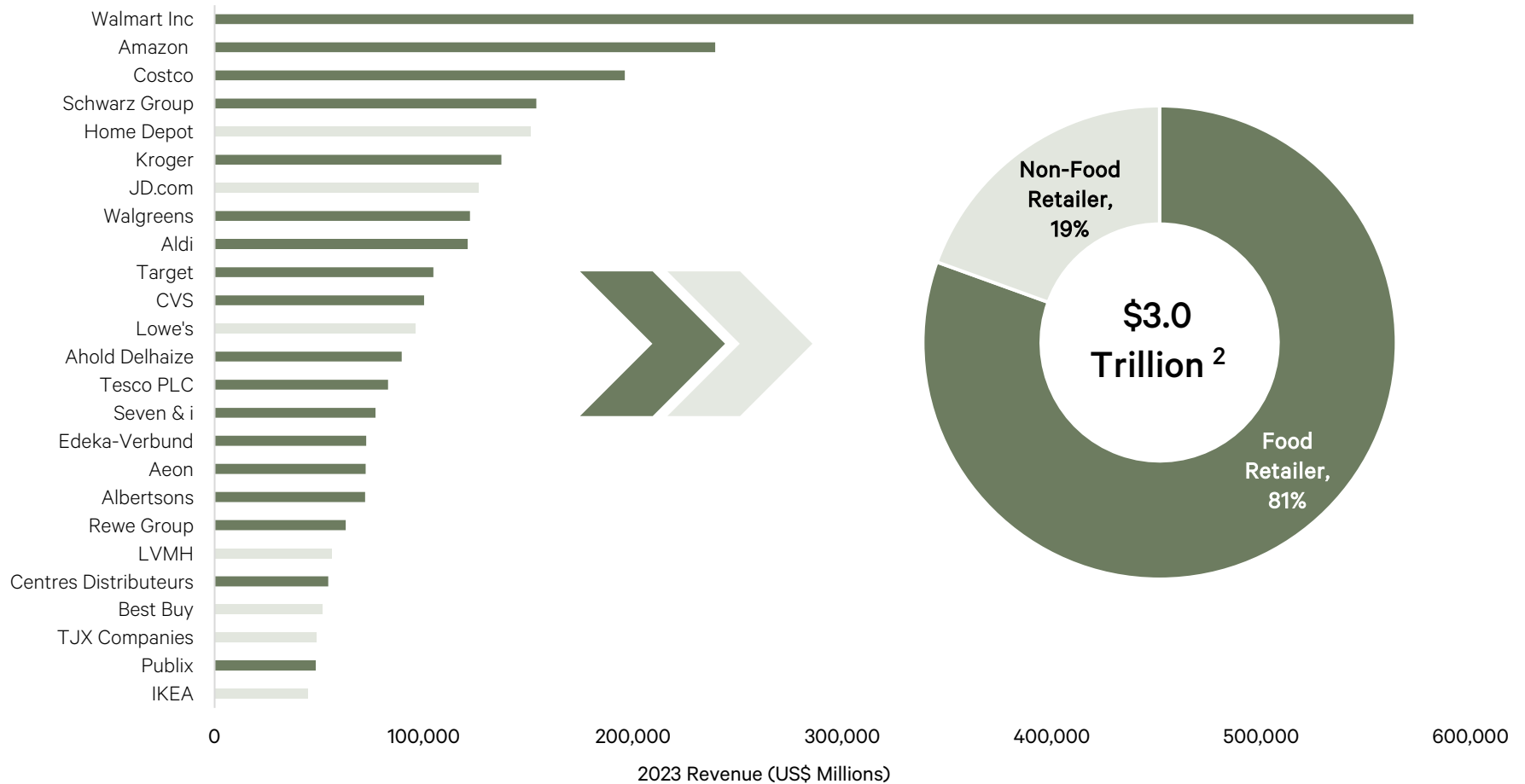
Online grocery sales currently represent 11.2% of total sales and are forecast to grow to 13.6% by 2027

Source: Brick Meets Click, 2024.

Consumers Require Essential Goods in Good and Bad Times

Food retailers comprise 18 of the 25 largest consumer good distributors globally ¹

Top 25 Global Retailers, Ranked by Revenue



Note: Amounts are in US\$.

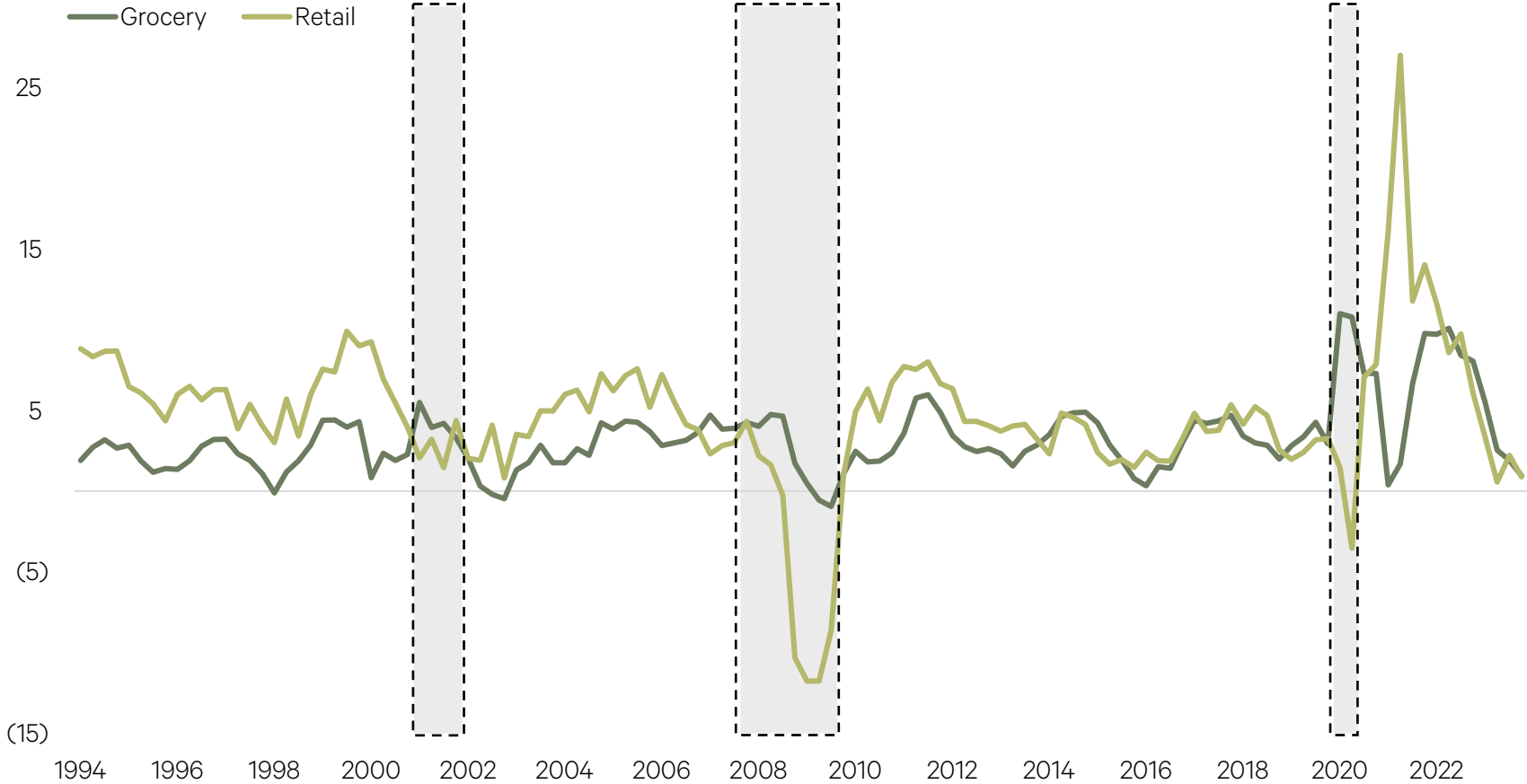
¹ Source: Deloitte Global Powers of Retail 2023.

² Represents total revenue for the top 25 global retailers in US\$.

Grocery-Anchored Real Estate is Resilient

Grocers outperform in recessionary environments

Annual sales growth ¹ (%)



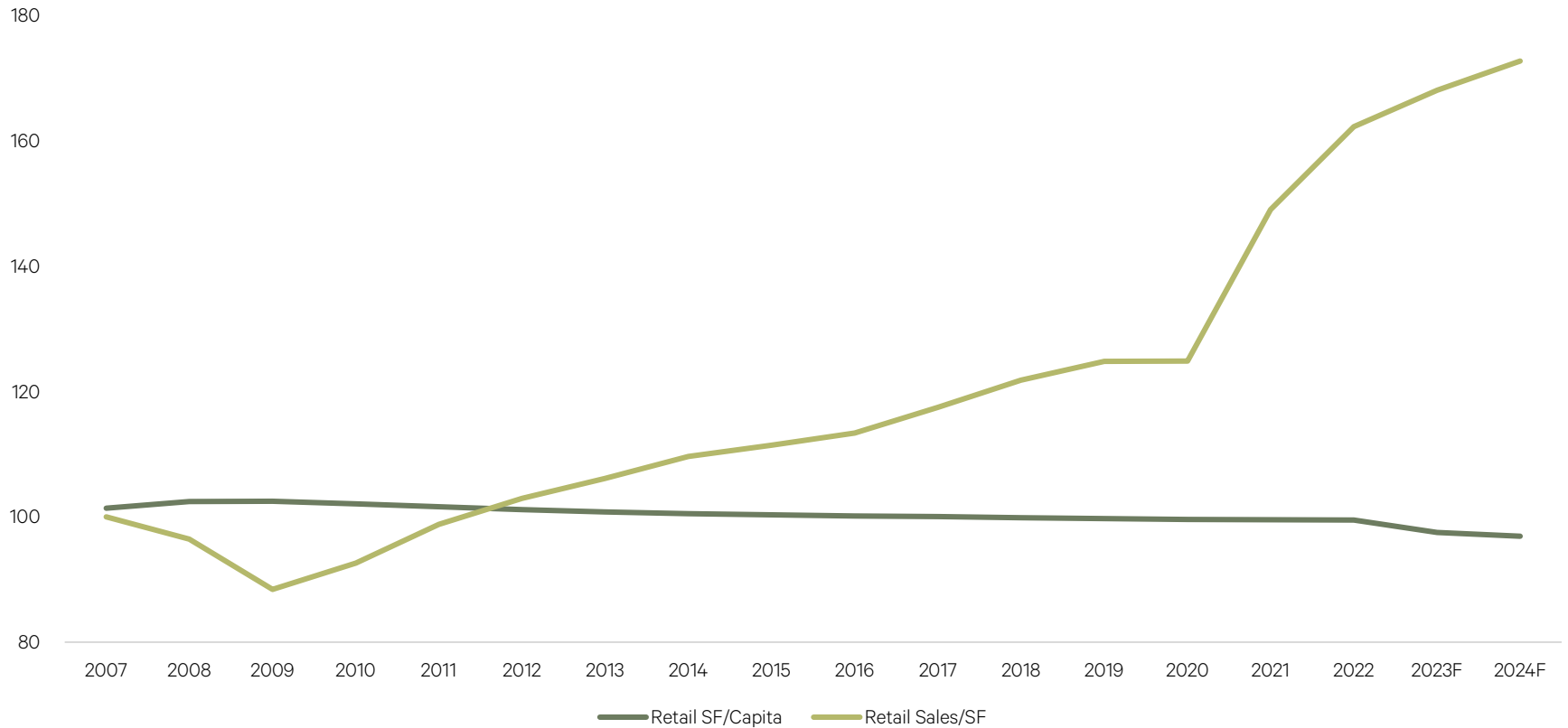
¹ CBRE Econometric Advisors, Q4 2023.



Increasing Retail Sales Support Rent Growth

Steadily increasing retail sales are enabling tenants to manage growing rental rates

Annual retail sales and retail SF per capita, 2006 = 100 ¹



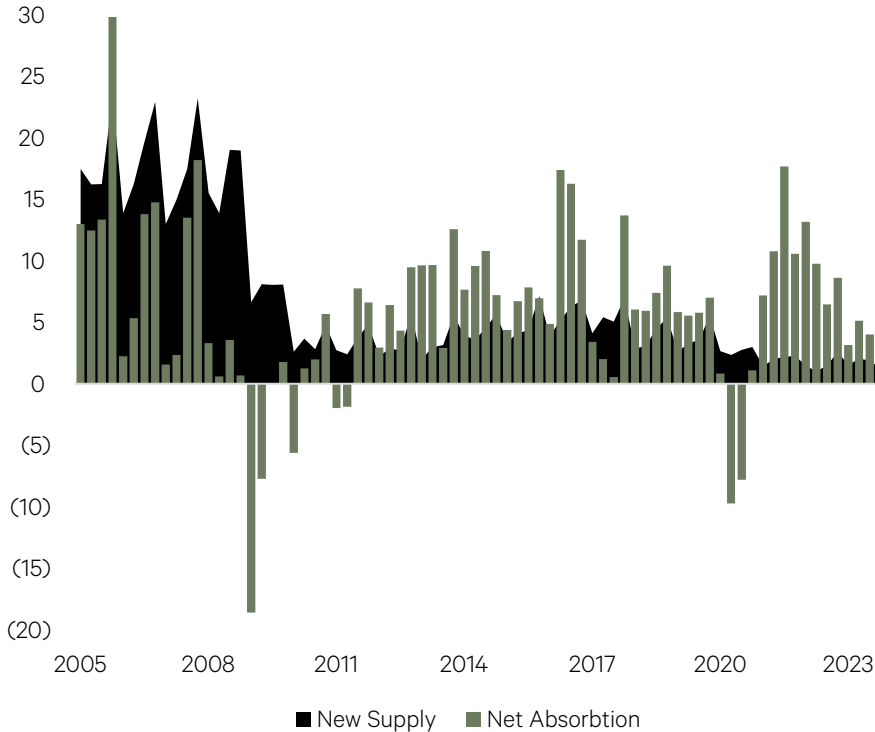
¹ CBRE Econometric Advisors, Q4 2023.

Strip Center Fundamentals Remain Strong

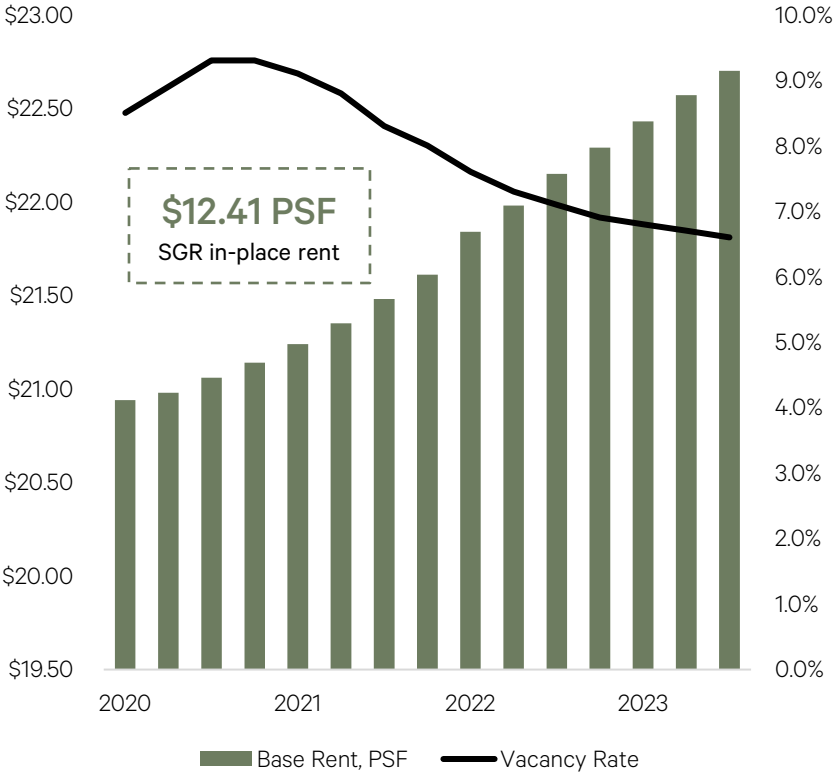
Strong tenant demand for grocery-anchored centers and limited new construction have resulted in record-low new supply and robust rent growth

Strip Center – Net Absorption & New Supply ¹

Millions of Square feet



Strip Center – Overall Vacancy & Base Rent ¹



¹ CBRE Econometric Advisors, Q4 2023.



Operations and Strategy Update



Tanglewood Commons, Winston-Salem, NC

World Class Grocery and Essential Based Tenants

Top five tenants

SGR's portfolio is comprised of the world's largest, most sophisticated, credit-worthy grocers, including six of the top seven US grocers by market share



Essential tenancies

High concentration of essential and grocery tenants

100%

Grocery-anchored properties ³

69%

Essential tenancies ¹

47%

Grocery tenancies ¹

Omnichannel distribution

SGR's properties are key to the distribution of in-store, click-and-collect and home delivery grocery sales



In store



Click-and-collect



Delivery






Note: As at December 31, 2023.

¹ Calculated as a percent of total portfolio GLA.

² U.S. grocery market share rankings based on Goldman Sachs Equity Research.

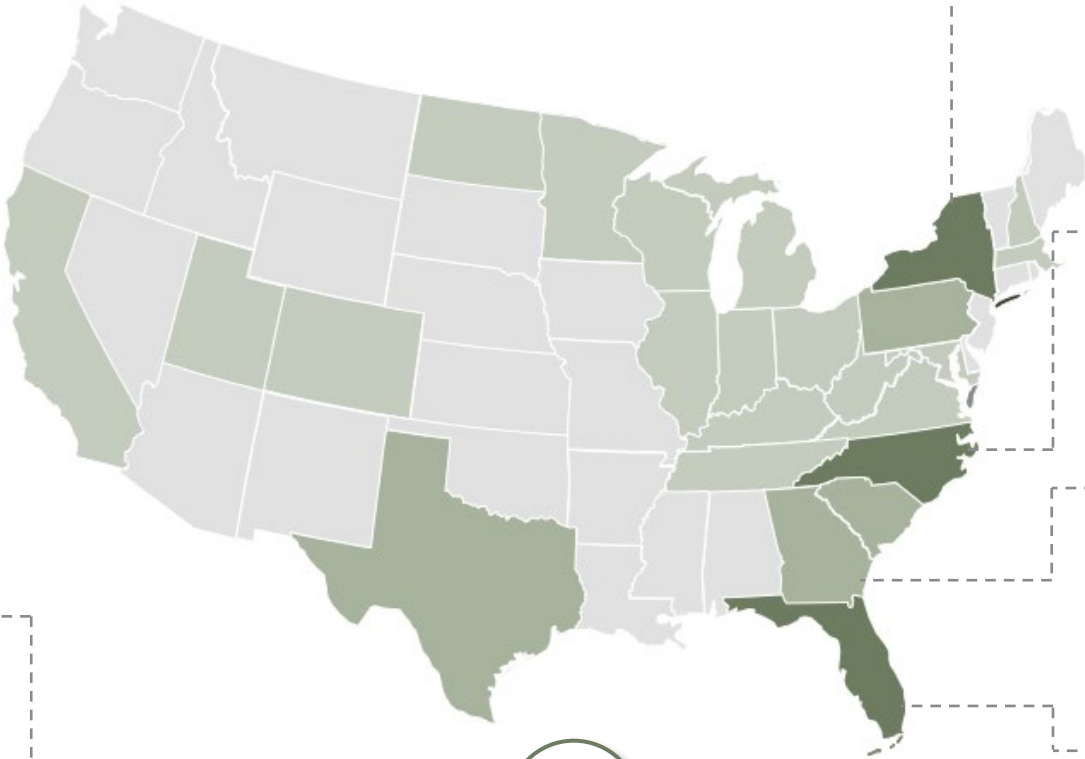
³ Calculated as a percent of number of properties; Excludes 5 non-core properties.

Strong Presence in Growing Markets

Top States	
	> 11% of GLA
	5% - 10% of GLA
	< 5% of GLA

Top 5 MSAs	
	% of GLA
Dallas	6%
Atlanta	6%
Charlotte	5%
Greenville	4%
Rochester	4%

Top 5 Regions	
	% of GLA
Southeast	45%
Midwest	17%
Mid-Atlantic	15%
Northeast	14%
Southwest	6%



60% of SGR's portfolio is in the rapidly growing U.S. Sunbelt ¹

New York #3	
% of GLA	11%
# of Properties	12

North Carolina #2	
% of GLA	13%
# of Properties	16

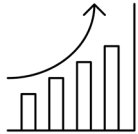
Georgia #4	
% of GLA	7%
# of Properties	9

Florida #1	
% of GLA	16%
# of Properties	19

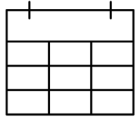
Note: As at December 31, 2023.
¹U.S. Sunbelt includes California, Florida, Georgia, North Carolina, South Carolina, Tennessee, Texas, and Virginia.

Protection in an Inflationary Environment

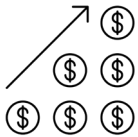
Below market in-place rents create long-term growth opportunities and the net lease structure provides protection against rising operating expenses



Historical leasing spreads have consistently outpaced inflation



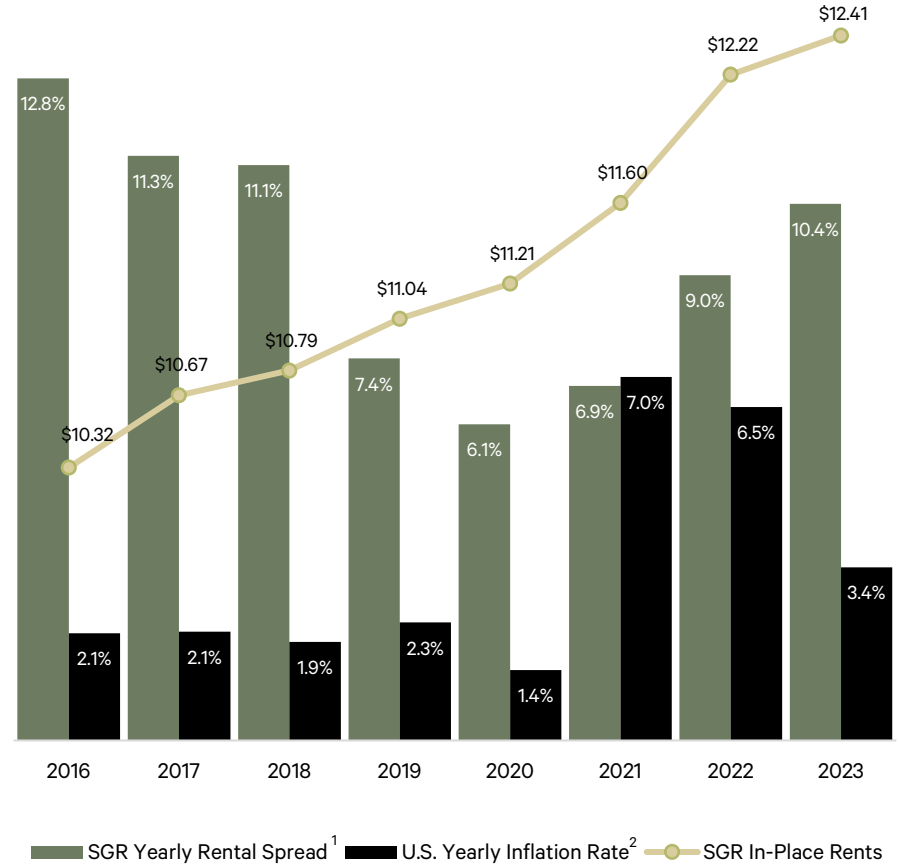
Non-option renewal spreads are 12.9% for the full-year 2023



5.3M square feet (~35% of GLA) of leases expire in the next three years, providing significant near-term upside



98% of tenants are on net leases, providing protection against rising operating expenses



Note: Amounts are in US\$ and are as at December 31, 2023.

¹ Rental spreads consider the increase or decrease over expiring rents for renewals and comparable average in-place rents for new leases.

² Source: U.S. Bureau of Labor Statistics.

Track Record of Creatively Sourcing Acquisitions

SGR has executed over \$900 million of opportunistic acquisitions since 2021



	5 property portfolio	2 single asset acquisitions	25 property portfolio	14 property portfolio
Date	February 10, 2021	July 15 & September 9, 2021	September 22, 2021	June 30 & July 15, 2022
Purchase price Total / PSF	\$54 million / \$137 PSF	\$24 million / \$121 PSF	\$390 million / \$127 PSF	\$425 million / \$173 PSF
Weighted average in-place rent	\$11.77 PSF	\$11.79 PSF	\$12.96 PSF	\$13.62 PSF
% Essential / grocery ¹	66% / 44%	80% / 66%	74% / 39%	51% / 22%
Geography	NC, FL, GA	IN, IL	NY, TX, FL, GA, IN, OH, CA	CO, FL, GA, NC, VA, OH, MA
Anchor tenant credit	Kroger, Ahold Delhaize, Southeastern Grocers	Kroger	Tops, Albertsons, Kroger, Ahold Delhaize, Albertsons and Walmart	Albertsons, Publix, Walmart, Ahold Delhaize, Lowes Foods
Investment thesis	Creative and opportunistic off-market transactions located in growth markets that are accretive to key portfolio metrics			

Note: Amounts are in US\$.
¹ Based on annual base rent.

Operational Excellence

01

Robust leasing volumes at strong rental spreads generating occupancy gains

2.9M

SF of total leasing in 2023

+10.4%

Spreads on total leasing in 2023¹

02

Fixed majority of the REIT's total debt and addressed all near-term debt maturities

94.6%

Fixed rate debt at Q4 2023

03

Advanced key ESG initiatives by negotiating green lease language into new transactions

225

Number of green leases signed

1.2M SF

Tenants under new green leases

¹ Rental spreads consider the increase or decrease over expiring rents for renewals and comparable average in-place rents for new leases.

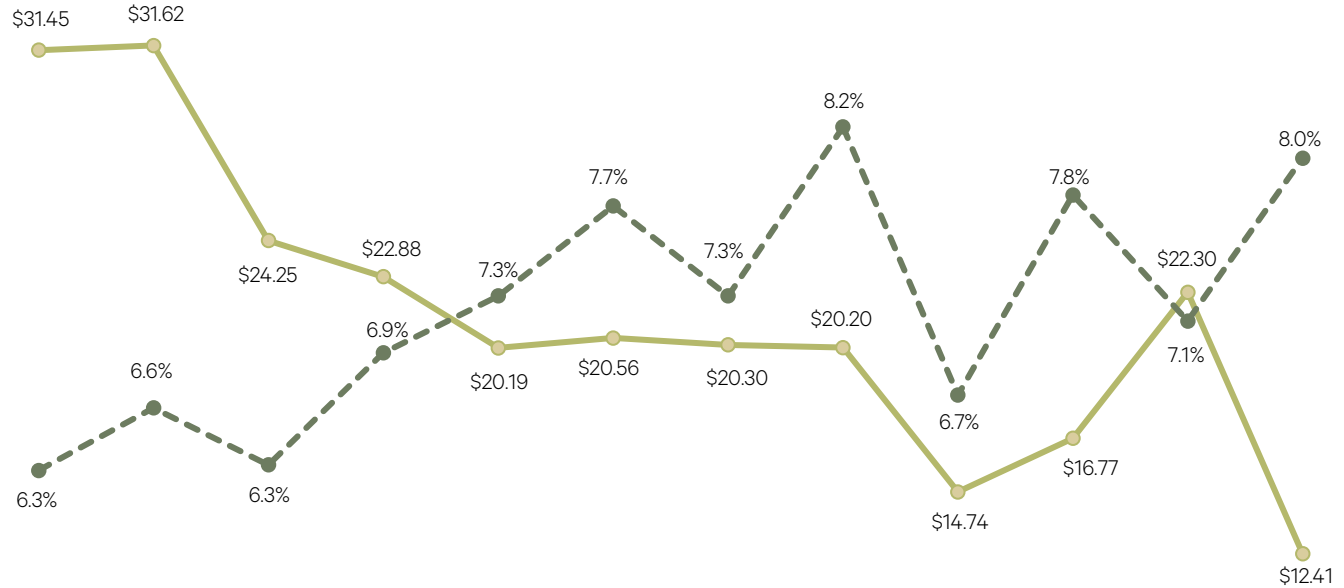
The Investment Opportunity



Sheridan Square, Miami-Fort Lauderdale, FL

Trading Discount to Net Asset Value

Significant discount to NAV despite having the lowest in-place rents and highest grocery-anchored percentage.



	Federal Realty	Acadia Realty Trust	Regency Centers	Retail Opportunity Investments Corp	Kimco Realty	Kite Realty Group	Urban Edge Properties	Site Centers	Phillips Edison	Brixmor Property Group	Strip Center REIT Average	Slate Grocery REIT ³
—●— In-Place Rent PSF (\$) ¹	\$31.45	\$31.62	\$24.25	\$22.88	\$20.19	\$20.56	\$20.30	\$20.20	\$14.74	\$16.77	\$22.30	\$12.41
—●— Grocery-Anchored (%) ¹	20%	23%	72%	83%	43%	38%	36%	13%	93%	51%	51%	100%
-●- Implied Cap Rate (%) ^{1,4}	6.3%	6.6%	6.3%	6.9%	7.3%	7.7%	7.3%	8.2%	6.7%	7.8%	7.1%	8.0%
—●— Implied Value PSF (\$) ²	\$501	\$468	\$343	\$330	\$295	\$288	\$254	\$221	\$209	\$181	\$309	\$134 ⁵
—●— Discount to NAV ¹	4%	-6%	-6%	-20%	-11%	-10%	-2%	-8%	5%	-13%	-4%	-34%

¹ Source: Green Street Advisors, priced as of February 13, 2024.

² Based on Green Street Advisors' NAV estimate for US peers and Q4/23 IFRS NAV for SGR.

³ Source: Green Street REIT Strip Center Sector Update, January 24, 2024

⁴ Includes the REIT's proportionate share of its joint ventures and wholly-owned assets.

⁵ Implied capitalization rates for US Peers are based on Green Street projections while SGR is based on management's expectations for 12-month forward NOI.

⁶ Excludes 5 non-core properties.

Environmental, Social, & Governance

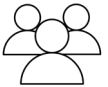
ESG Priorities



Managing climate change risks and opportunities



Limiting our environmental impact



Engaging our tenants and stakeholders for social impact



Strong governance of ESG risks and opportunities

Current ESG Initiatives

- Energy, carbon, water and waste data collection will support IFRS/ISSB¹ sustainability and climate reporting requirements.
- Energy audits are being considered to support the analysis and understanding of the REIT's climate transition positioning.
- Collected data, energy audit findings and climate analyses are being reviewed to inform ESG projects and associated capital planning.
- Tenant discussions are ongoing to align with tenants' environmental and social priorities and the exchange of property environmental performance.
- Roll out of green leases underway to support tenant collaboration on environmental and social initiatives.

“With ESG best practices as our foundation, our focus remains on aligning our ESG strategies with generating value for our investors.”

– Bozena Jankowska, Global Head of ESG

¹ IFRS/ISSB International Financial Reporting Standards Foundation (IFRS) and the newly affiliated International Sustainability Standards Board (ISSB).

Closing Thoughts

01 Grocery-anchored real estate facilitates the last mile of food logistics and has proven its resiliency and ability to perform in all market conditions

02 The REIT's in-place rents are significantly below market, providing runway for long-term revenue growth and value creation







03 With a strong balance sheet and financial flexibility, the REIT is well-positioned to pursue high-quality, accretive acquisitions

Additional Information



Mooresville Town Square, Mooresville, NC

Strong Corporate Governance

	Independent	Audit Committee	Investment Committee	Compensation, Governance and Nominating Committee
 Andrea Stephen (Chair of the Board)	Yes	Member	Chair	Member
 Colum Bastable	Yes	Chair	Member	Member
 Christopher Chee	Yes		Member	
 Patrick Flatley	Yes		Member	
 Marc Rouleau	Yes	Member		Chair
 Mary Vitug	Yes	Member		Member
 Blair Welch	No		Member	
 Brady Welch	No			

Analyst Coverage



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Disclaimer

Forward-Looking Statements

This presentation contains forward-looking information within the meaning of applicable securities laws. These statements include, but are not limited to, statements concerning the REIT's objectives, its strategies to achieve those objectives, as well as 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. Readers should not place undue reliance on any such forward-looking statements. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the REIT to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained herein. Such forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, the continued availability of mortgage financing and current interest rates; the extent of competition for properties; assumptions about the markets in which the REIT and its subsidiaries operate; the global and North American economic environment; and changes in governmental regulations or tax laws. Although the forward-looking information contained in this presentation is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in this presentation may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this presentation. Except as required by applicable law, the REIT undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Non-IFRS Measures

This presentation contains financial measures that do not have a standardized meaning under International Financial Reporting Standards ("IFRS") as prescribed by the International Accounting Standards Board. Slate Grocery uses the following non-IFRS financial measures: Funds from Operations ("FFO"), Adjusted Funds from Operations ("AFFO"), Net Operating Income ("NOI"), and Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"). Management believes that in addition to conventional measures prepared in accordance with IFRS, investors in the real estate industry use these non-IFRS financial measures to evaluate the REIT's performance and financial condition. Accordingly, these non-IFRS financial measures are intended to provide additional information and should not be considered in isolation or as a substitute for performance measures prepared in accordance with IFRS. In addition, they do not have standardized meanings and may not be comparable to measures used by other issuers in the real estate industry or other industries. Additional information on the REIT's non-IFRS financial measures is available in the Management, Discussion and Analysis report for the year ended December 31, 2022, section "Non-IFRS Measures", page 16.

Use of Estimates

The preparation of the REIT 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.



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