
Slate Grocery REIT

Q1 2024 Quarterly Report



SLATE





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. \$2.4 billion of critical real estate infrastructure across major U.S. metro markets that communities rely upon for their everyday 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. We focus on fundamentals with the objective of creating long-term value for our investors and partners. Slate's platform focuses on four areas of real assets, including real estate equity, real estate credit, real estate securities and infrastructure. 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, and follow Slate Asset Management on [LinkedIn](#), [X \(Twitter\)](#), and [Instagram](#).

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. 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, 2023 ("Annual Information Form"). Factors that could cause actual results to differ materially from those contemplated or implied include, but are not limited to: 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; cyber security risks; reliance on third-party services; compliance with covenants under certain agreements entered into by the REIT;

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; risks related to climate change; risks related to the structure of the REIT; governmental, taxation and other regulatory risks and litigation risks.

Forward-looking statements included in this MD&A are made as of April 30, 2024 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

94.0%
Grocery-anchored properties

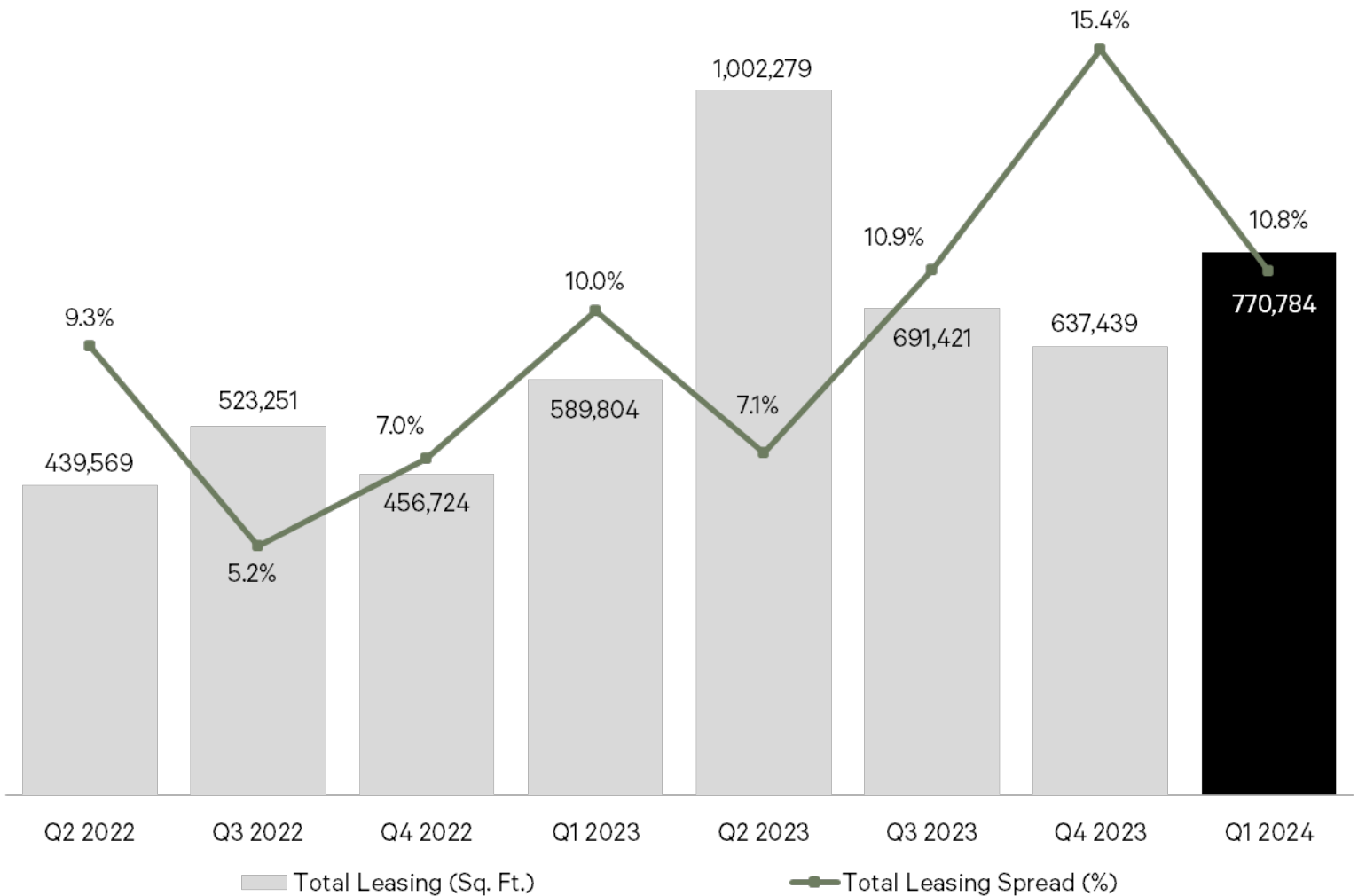
68.7%
Essential tenants

94.4%
Portfolio occupancy

\$2.4B
Critical real estate¹

98.3%
Anchor occupancy



Leasing momentum continued in Q1 2024 at healthy spreads



¹ On a proportionate interest basis.

Top 5 tenants

Ranked by GLA

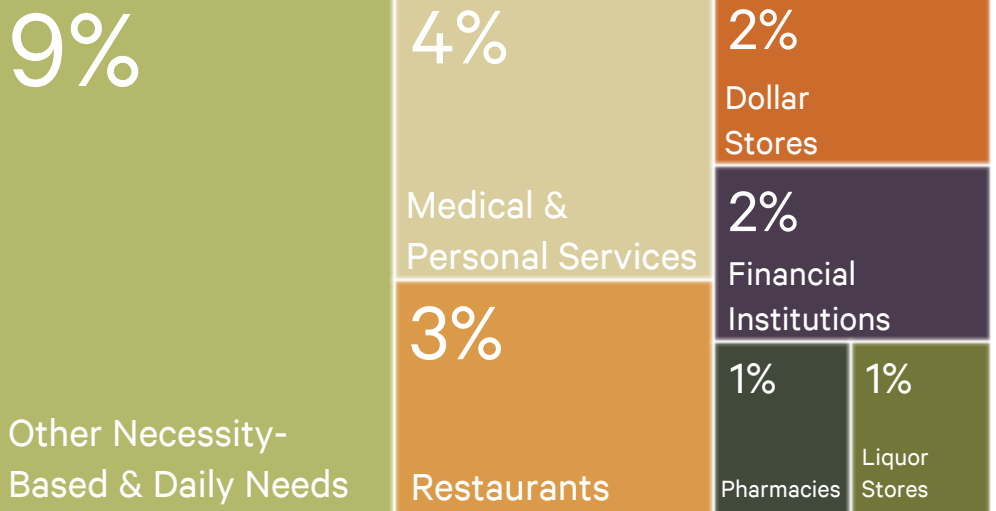
1	9.2%	
2	9.0%	
3	3.9%	
4	3.9%	
5	3.9%	

70.1% remaining tenants across 1,861 leases

Essential Based Tenancy¹

47%

Supermarkets & Grocery²



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

Kroger



Assets

24

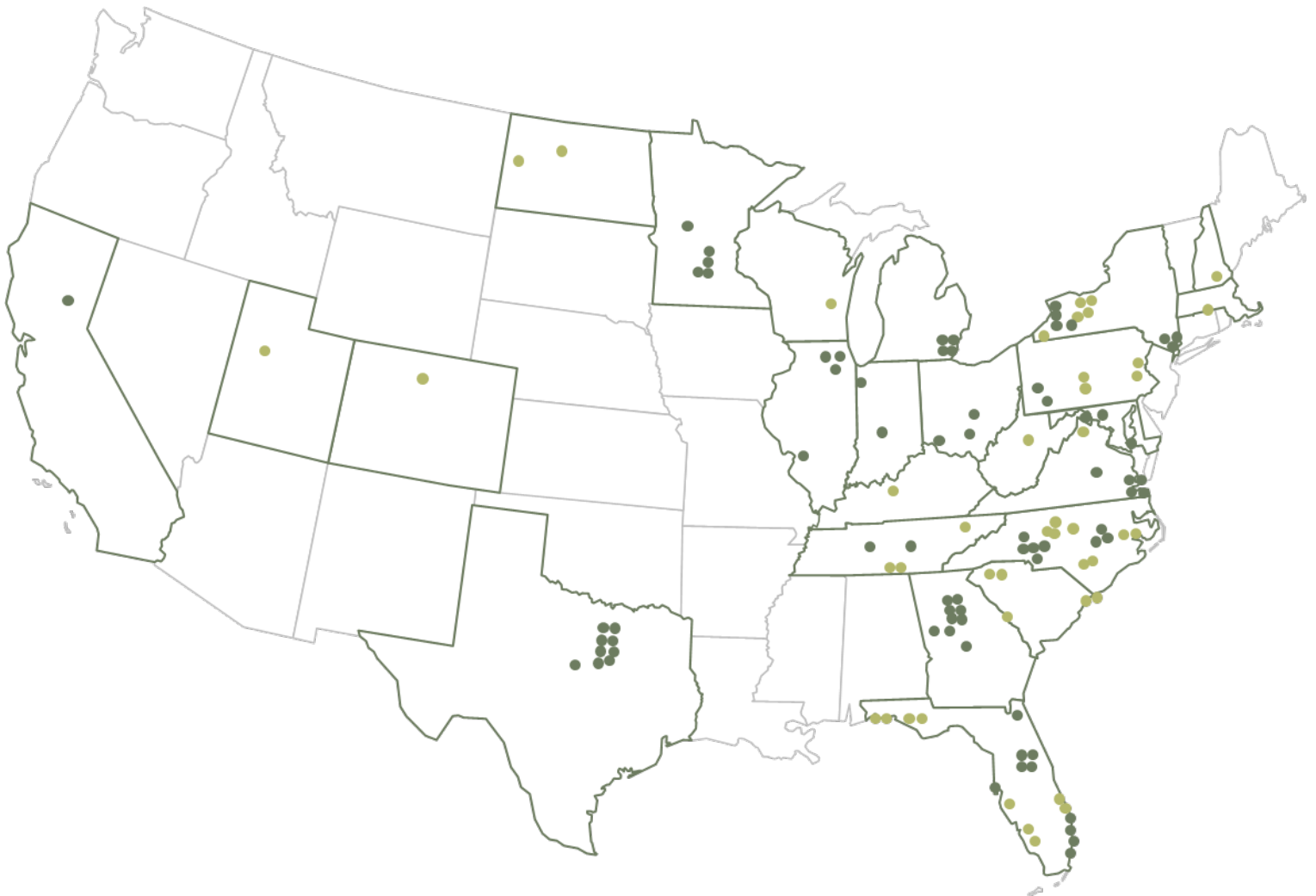
States

117

Number of properties

15.3M

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,

Slate Grocery REIT's first quarter results demonstrate the continued strong demand for our high-quality grocery-anchored spaces and the significant rental growth embedded in our portfolio.

Our team completed 770,784 square feet of total leasing at attractive spreads, which drove revenue growth throughout the quarter. 98,198 square feet of new deals were completed at 30.9% above comparable average in-place rent, and non-option renewals were completed at 15.2% above expiring rents.

Occupancy ended the quarter at 94.4%, and we have a robust pipeline of new leasing opportunities, which will support a continued positive trend for occupancy in the coming quarters.

Our team's positive leasing momentum and steady rental growth continues to translate to income growth for the REIT. Adjusting for completed redevelopments, same-property Net Operating Income ("NOI") continues to trend positively, increasing by \$1.0 million or 2.5% year-over-year. We expect NOI to continue climbing steadily over the coming months, as the impact of new leases completed over the last 12 months is realized.

Throughout the first quarter, our team continued to prudently manage the REIT's balance sheet to ensure we remain protected in the current environment.

During the quarter, the REIT exercised a six-month extension option on its \$300.0 million revolver. 94.2% of the REIT's total debt remains fixed, with a weighted average interest rate of 4.4% and a weighted average remaining term of 3.1 years on the REIT's interest rate swap contracts. This provides stability in today's interest rate environment.

Further, average in-place rent within the REIT's portfolio remains well below the market at \$12.49 per square foot. This provides significant mark to market opportunities, which we believe will continue to drive attractive renewal spreads and long-term NOI growth.

Despite the REIT's strong leasing fundamentals, the REIT's units continue to trade at a discount to Net Asset Value ("NAV"), presenting a compelling opportunity for unitholders seeking an attractive total return on investment.

As at March 31, 2024, the REIT's unit price indicates an implied capitalization rate of 8.0% based on trailing twelve-month NOI, representing a 39.8% discount to NAV. We believe this pricing reflects a significant disconnect in valuation given the REIT's fundamentals and strong operational performance.

We continued to have strong conviction in the fundamentals of the broader grocery-anchored real estate sector.

Vacancy levels in the neighborhood, community, and strip center segment continue to hover near record lows through the first quarter of 2024. The Sun Belt – where nearly 60% of Slate Grocery REIT's portfolio is located – is among the regions leading the nation in terms of year-over-year occupancy growth¹.

At the same time, tenant demand for high quality grocery-anchored spaces remains strong, particularly as grocers continue to see steady increases in sales and foot traffic. Retail and food sales increased by approximately 5% in 2023 and are expected to continue inching higher². America's leading grocers including, Walmart, Kroger, Publix, and Aldi continue to invest significant capital in both new and existing stores, emphasizing their critical role as local distribution hubs for in-store and online shopping. In January, Walmart announced plans to build or convert more than 150 stores, in addition to the company's previously announced \$9.0 billion investment to upgrade over 1,400 stores. In March, Aldi similarly announced a \$9.0 billion expansion plan to add 800 US stores over the next four years, after adding 109 stores in 2023.

Against a backdrop of muted new retail supply, which remains as such due to high construction costs and elevated interest rates, we believe landlords in the grocery-anchored sector will continue to have pricing power to increase rental rates. With in-place rents that are well below market, Slate Grocery REIT is uniquely well positioned to capitalize on these fundamentals and increase rents over time to deliver long-term growth for 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 of our efforts.



Sincerely,
Blair Welch
CEO, Slate Grocery REIT
April 30, 2024

¹ CBRE Q1 2024 U.S. Retail Availability Index

² Green Street March 14, 2024 Strip Center Sector Update



Management's Discussion and Analysis

SLATE GROCERY REIT

TSX: SGR.U and SGR.UN

March 31, 2024

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FINANCIAL AND INFORMATIONAL HIGHLIGHTS

(in thousands of United States dollars)

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Summary of Portfolio Information						
Number of properties ¹	117	117	117	117	117	117
Gross leasable area ("GLA") ¹	15,329,814	15,316,529	15,316,802	15,312,744	15,284,170	15,284,265
GLA occupied by grocery-anchors ¹	6,645,958	6,712,077	6,712,077	6,712,077	6,679,309	6,679,309
Occupancy ¹	94.4%	94.7%	94.1%	93.9%	93.7%	93.2%
Anchor occupancy ¹	98.3%	99.2%	99.3%	99.3%	99.2%	99.2%
Non-anchor occupancy ¹	90.8%	90.5%	89.5%	89.1%	88.7%	87.9%
Grocery-anchor weighted average lease term (years) ¹	5.3	5.1	5.2	5.4	5.1	5.0
Portfolio weighted average lease term (years) ¹	4.8	4.7	4.7	4.7	4.5	4.5
Square feet ("SF") of new leasing ¹	98,198	160,792	103,142	143,462	137,008	118,159
SF of total leasing ¹	770,784	637,439	691,421	1,002,279	589,804	456,724
Summary of Financial Information						
Gross book value ("GBV") ²	\$ 2,241,191	\$ 2,235,798	\$ 2,244,401	\$ 2,239,128	\$ 2,231,131	\$ 2,270,400
GBV, Proportionate ³	2,453,308	2,448,127	2,459,006	2,453,443	2,446,234	2,485,131
Debt	1,165,036	1,161,756	1,144,742	1,141,434	1,134,561	1,131,487
Debt, Proportionate ³	1,371,478	1,369,053	1,352,854	1,350,243	1,343,955	1,341,465
Revenue	51,915	51,539	50,629	50,324	50,789	50,655
Net income ¹	13,612	5,177	12,370	18,948	(14,831)	18,506
Net operating income ("NOI") ¹³	40,572	40,139	40,182	40,313	39,838	40,599
Funds from operations ("FFO") ¹³	16,198	15,991	16,329	16,513	15,955	16,799
Adjusted funds from operations ("AFFO") ¹³	13,045	13,029	13,061	13,603	13,397	13,789
Distributions declared	\$ 12,968	\$ 12,968	\$ 13,006	\$ 13,095	\$ 13,218	\$ 13,236
Per Unit Financial Information						
Class U equivalent units outstanding ⁴	60,318	60,301	60,276	60,631	61,240	61,473
Weighted Average class U equivalent units outstanding ("WA units") ⁴	60,307	60,285	60,473	60,897	61,460	61,468
FFO per WA units ¹³	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.26	\$ 0.27
AFFO per WA units ¹³	0.22	0.22	0.22	0.22	0.22	0.22
Declared distributions per unit	\$ 0.2160	\$ 0.2160	\$ 0.2160	\$ 0.2160	\$ 0.2160	\$ 0.2160
Financial Ratios						
FFO payout ratio ¹³⁵	80.1%	81.1%	79.6%	79.3%	82.8%	78.8%
AFFO payout ratio ¹³⁵	99.4%	99.5%	99.6%	96.3%	98.7%	96.0%
Debt / GBV	52.0%	52.0%	51.0%	51.0%	50.9%	49.8%
Weighted average interest rate ¹⁶	4.45%	4.44%	4.20%	4.10%	4.26%	4.29%
Interest coverage ratio ³	2.70x	2.72x	2.91x	3.03x	2.85x	2.78x

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

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

²GBV is equal to total assets.

³Refer to non-IFRS financial measures on page 15.

⁴Represents 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.

⁵FFO payout ratio and AFFO payout ratio is equal to distributions declared divided by FFO and distributions declared divided by AFFO, respectively.

⁶Includes 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 three month period ended March 31, 2024. The presentation of the REIT's financial results, including the related comparative information, contained in this MD&A are based on the REIT's condensed consolidated interim financial statements for the three month period ended March 31, 2024 (the "consolidated financial statements"), which have been prepared by management in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). This MD&A should be read in conjunction with those consolidated 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 April 30, 2024, 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 March 31, 2024, the REIT owns 117 grocery-anchored properties located in the United States of America (the "U.S.") comprising 15.3 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.sedarplus.ca 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 provide a strong basis to continue to grow unitholder distributions and flexibility to capitalize on opportunities that provide appreciation in value.

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.

The 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, International Financial Reporting Interpretations Committee ("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, adjustments for joint venture investments and IFRIC 21 property tax adjustments.
- AFFO is defined as FFO adjusted for straight-line rental revenue and revenue 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

The environmental, social, and corporate governance ("ESG") strategy at Slate is to mindfully grow our business by striking a careful balance between environmental and social responsibility with the aim of creating positive outcomes for our tenants, employees and communities, while generating value for our investors. To achieve this, management is embedding ESG practices into the core of Slate's and the REIT's day-to-day operations, as well as building out strategic action plans, goals, and targets that align with the four ESG focus areas for Slate and the REIT - Climate Change, Resource Efficiency, Social Impact and Ethical Business Conduct. In tandem, there is a growing obligation from regulators and financial reporting bodies, such as the IFRS Foundation and the newly affiliated International Sustainability Standards Board ("ISSB") to report on sustainability and climate-related issues.

ESG Disclosure Obligation

On June 26, 2023, the ISSB released its finalized IFRS S1, *General Requirements for Disclosure of Sustainability-related Financial Information* ("IFRS S1") and IFRS S2, *Climate-related Disclosures*, ("IFRS S2") standards, creating a global baseline for the disclosure of sustainability information. IFRS S1 requires a company to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect its prospects, including its cash flows, its access to finance or cost of capital, over the short, medium or long term. IFRS S2 requires a company to disclose information about its climate-related risks, which includes both physical risks and transition risks, and opportunities that are useful to investors and other providers of financial capital in making decisions relating to providing resources to companies. The IFRS S2 standard incorporates and builds on the Task Force on Climate-Related Financial Disclosures recommendations. In Canada, the path towards mandatory application of sustainability reporting standards has progressed with the Canadian Sustainability Standards Board's ("CSSB") release of exposure drafts for Canadian Sustainability Disclosure Standards ("CSDS") 1 and 2. These drafts are currently open for public comment until June 10, 2024, with the finalized standards anticipated to be issued by the fourth quarter of 2024. Upon the completion of these standards, the Canadian Securities Administrators ("CSA") is expected to solicit feedback on the updated regulations governing climate-related disclosures. The effective date for voluntary adoption of the CSDS is January 1, 2025, with mandatory adoption for public companies yet to be determined by the CSA. There will be a two year transition relief period for reporting scope 3 emissions (i.e. tenant controlled emissions) and sustainability disclosures (i.e. sustainability risks and opportunities), with mandatory reporting beginning on or after January 1, 2027. Whilst this transitional relief is being proposed by CSSB, this timing is subject to change through the CSSB's comment and deliberation periods.

As reported previously, the REIT has actioned upon a number of measures as part of its own ESG commitment that will align with the expected sustainability and climate related reporting obligations. This includes:

- **Energy and Water Management**

The REIT is actively capturing energy, carbon, water and waste data for each property to support measurement, monitoring, target setting and reporting.

- **Management of Tenant Sustainability Impacts**

Green leases are in place and are being rolled out to tenants to capture Scope 3 carbon emissions. To date, this represents 1.3 million square feet.

- **Climate Change Risks and Adaptation**

Slate, as manager of the REIT, adopted a systematic process to evaluate the exposure of existing properties and all new acquisitions to climate physical risks. This process informs the management team of the nature and scale of risk exposure under various climate change scenarios for the REIT. Work is also underway to evaluate the exposure of the REIT to climate transition risks which will inform targeted climate mitigation and adaptation strategies for properties at most risk.

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, 2023, available on SEDAR+ at www.sedarplus.ca. 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 three month period ended March 31, 2024:

- The REIT completed 770,784 square feet of leasing at a weighted average rental spread of 10.8% comprising 672,586 square feet of renewals and 98,198 of new leasing. As at March 31, 2024, portfolio occupancy totalled 94.4%.
- The REIT exercised a six-month extension option on its \$300.0 million revolver.

- The REIT renewed its normal course issuer bid ("NCIB") allowing for the repurchase and subsequent cancellation of class U units. The NCIB is effective until January 31, 2025.
- Rental revenue for the three month period ended March 31, 2024 increased by \$1.1 million compared to the prior year primarily as a result of increases in rental rates from re-leasing above average in-place rent and new leasing above comparable market rental rates.
- NOI was \$40.6 million for the three month period ended March 31, 2024, which represents an increase of \$0.7 million from the prior year, mainly driven by increases in same-property NOI, partially offset by temporary vacancies.
- Same-property NOI for the first quarter (comprising 113 properties) increased by 1.1% over the comparative period due to the aforementioned increases in rental rates from new leasing and re-leasing activities, partially offset by temporary vacancies. Including the impact of completed redevelopments, same-property NOI for the three month period ended March 31, 2024 increased by \$1.0 million or 2.5% over the comparative period.
- Same-property NOI for the trailing twelve month period ended March 31, 2024 (comprising 96 properties) increased by \$0.4 million or 0.4% over the same period in the prior year. Including the impact of completed redevelopments, same-property NOI for the trailing twelve month period ended March 31, 2024 increased by \$2.1 million or 1.6% over the comparative period.
- FFO was \$16.2 million for the three month period ended March 31, 2024, which represents a \$0.2 million increase from the comparative period, mainly due to increases in NOI and lower current income tax expense, partially offset by increases to cash interest, net and general and administrative expenses.
- AFFO decreased by \$0.4 million to \$13.0 million from the comparative period. The decrease is primarily due to the increase in cash interest costs, as well as higher leasing costs and tenant improvements to support leasing activity. These amounts were partially offset by higher NOI and lower capital expenditures. For the three month period ended March 31, 2024, the AFFO pay-out ratio is 99.4%.

PART II – LEASING AND PROPERTY PORTFOLIO

LEASING

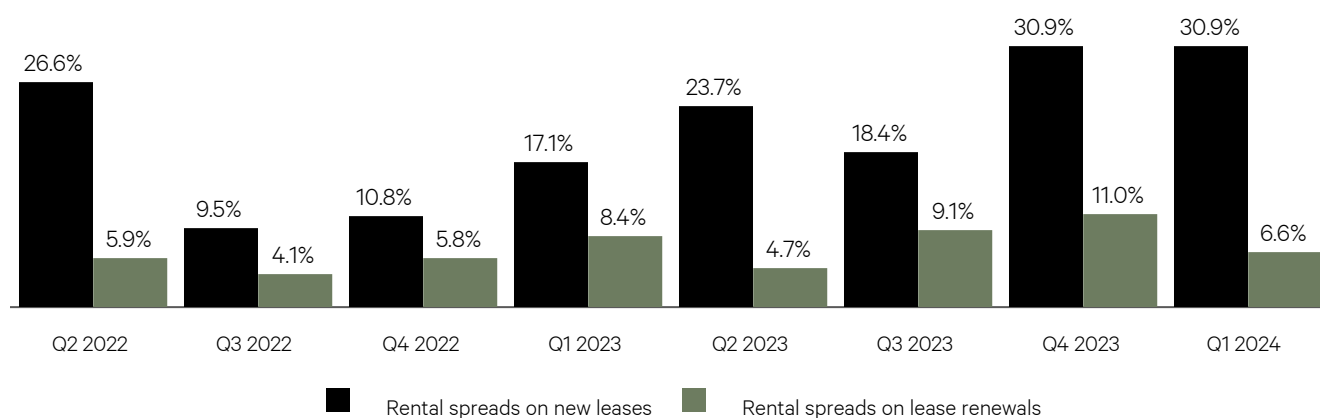
The REIT strives to ensure that its properties are well occupied with tenants who have space that allow them to meet their own business objectives. Accordingly, the REIT proactively monitors its tenant base with the objective to renew in advance of lease maturities, backfill tenant vacancies in instances 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. Rental spreads consider the increase or decrease over expiring rents for renewals and comparable average in-place rents for new leases.

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

Square feet	Deal type		Q1 2024	Q4 2023	Q3 2023	Q2 2023
Less than 10,000	Renewal	Leases signed	52	74	52	55
		Total square feet	153,664	171,454	144,178	137,603
		Average base rent	\$ 21.48	\$ 25.34	\$ 23.18	\$ 22.27
		Rental spread	13.9%	14.4%	10.1%	10.7%
Greater than 10,000	Renewal	Leases signed	11	10	16	13
		Total square feet	518,922	305,193	444,101	721,214
		Average base rent	\$ 8.19	\$ 10.18	\$ 9.63	\$ 9.82
		Rental spread	1.5%	6.5%	8.3%	2.4%
Total renewals (square feet)			672,586	476,647	588,279	858,817
Less than 10,000	New lease	Leases signed	29	20	30	19
		Total square feet	88,198	54,337	70,742	50,888
		Average base rent	\$ 19.97	\$ 19.65	\$ 21.40	\$ 18.95
		Rental spread	27.9%	45.7%	24.3%	24.9%
Greater than 10,000	New lease	Leases signed	1	6	1	4
		Total square feet	10,000	106,455	32,400	92,574
		Average base rent	\$ 19.49	\$ 13.66	\$ 13.00	\$ 7.65
		Rental spread	66.4%	21.9%	1.0%	22.0%
Total new leases (square feet)			98,198	160,792	103,142	143,462
Total leasing activity (square feet)¹			770,784	637,439	691,421	1,002,279

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

Leasing Spreads



During the first quarter, management completed 672,586 square feet of lease renewals and 98,198 square feet of new leasing. The weighted average rental rate increases on renewals completed for leases less than 10,000 square feet was \$2.62 per square foot or 13.9% higher than expiring rent. The weighted average rental rate increases on renewals completed for leases greater than 10,000 square feet was \$0.12 per square foot or 1.5% higher than expiring rent.

The weighted average base rent on all new leases completed less than 10,000 square feet was \$19.97, which was \$4.36 per square foot or 27.9% higher than average in-place rent. The weighted average base rent on all new leases completed greater than 10,000 square feet was \$19.49, which was \$7.78 per square foot or 66.4% higher than average in-place rents.

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 March 31, 2024 was 5.3 years and 4.3 years, respectively, not including tenants on month-to-month leases. On a portfolio basis, the weighted average remaining term to maturity is 4.8 years.

The following table summarizes the composition of the remaining term to maturity of the REIT's leases at March 31, 2024:

	Weighted average term to maturity	GLA ¹	GLA %
Grocery-anchor	5.3	6,600,414	43.0%
Non-anchor	4.3	7,475,508	48.8%
Total	4.8	14,075,922	91.8%
Month-to-month		394,470	2.6%
Vacant		859,422	5.6%
Total GLA		15,329,814	100.0%

¹Includes 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 March 31, 2024:

	Total GLA ¹	Occupied GLA ^{1,2}	Occupancy
December 31, 2023	15,316,529	14,500,389	94.7%
Leasing changes	—	(43,282)	(0.3%)
Expansions	4,147	5,667	—%
Re-measurements	9,138	7,618	—%
March 31, 2024	15,329,814	14,470,392	94.4%

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

²Leasing changes include new leases, lease buyouts, expirations, and terminations.

Occupancy has decreased by 0.3% to 94.4% from December 31, 2023, primarily due to 43,282 square feet of vacancies, net of new leasing. The majority of the decrease is driven by East Little Creek, of which management is currently undertaking plans for redevelopment.

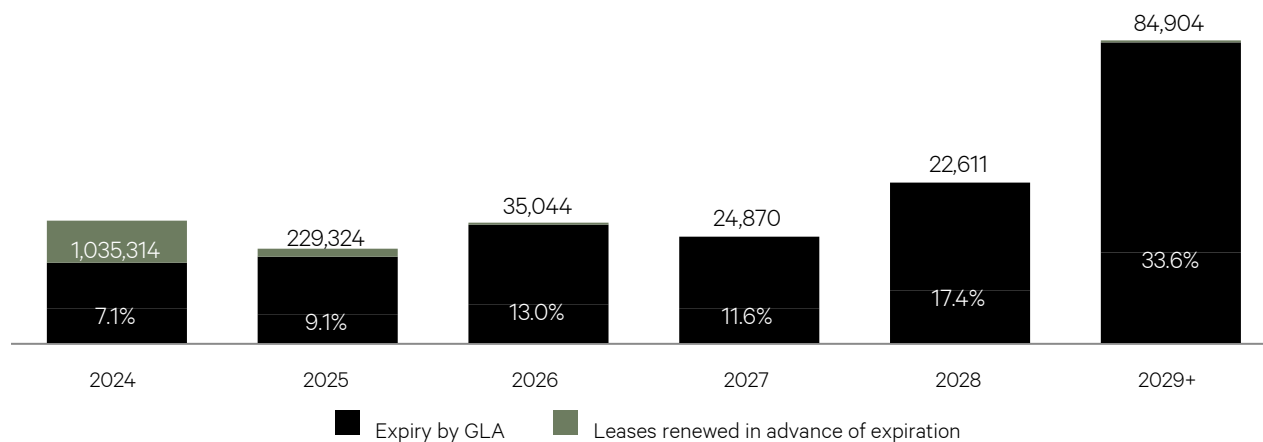
The following is a profile of the REIT's leases excluding the impact of tenant extension options:

GLA expiration	Grocery-anchor			Non-anchor			Total		
	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	45,544	0.3%	\$ 12.54	348,926	2.3%	\$ 17.62	394,470	2.6%	\$ 17.03
2024	542,574	3.5%	9.19	547,770	3.6%	16.49	1,090,344	7.1%	12.86
2025	473,410	3.1%	8.86	925,692	6.0%	15.85	1,399,102	9.1%	13.48
2026	972,603	6.3%	9.53	1,022,327	6.7%	16.07	1,994,930	13.0%	12.88
2027	744,567	4.9%	8.87	1,032,178	6.7%	15.56	1,776,745	11.6%	12.75
2028	1,288,912	8.4%	9.40	1,362,063	9.0%	15.26	2,650,975	17.4%	12.41
2029+	2,578,348	16.8%	8.87	2,585,478	16.8%	14.74	5,163,826	33.6%	11.81
Vacant	66,120	0.4%	N/A	793,302	5.2%	N/A	859,422	5.6%	N/A
Total / weighted average ¹	6,712,078	43.7%	\$ 9.03	8,617,736	56.3%	\$ 15.42	15,329,814	100.0%	\$ 12.49

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

The REIT endeavors to proactively renew 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 provide certainty in cash flows. The following is a table of lease expiries at March 31, 2024 and pre-existing future maturities that were leased during 2024:

Lease Expiries and Pre-existing Future Maturities



At March 31, 2024, remaining 2024 expiries represent 7.1% of the portfolio's occupied GLA, with 547,770 square feet related to non-anchor tenants. As of March 31, 2024, 1,035,314 square feet of leases maturing in 2024 have been renewed in advance of expiration.

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 both grocery-anchor and non-grocery-anchor tenants:

Retention rate ¹	Three months ended March 31, 2024	Year ended December 31, 2023
Grocery-anchor	99.0%	100.0%
Non-grocery-anchor	90.8%	89.5%
Net total / weighted average ²	94.4%	94.1%

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,			
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Renewals				
Square feet	672,586	476,647	588,279	858,817
Expiring rent per square foot ¹	\$ 10.54	\$ 14.09	\$ 11.87	\$ 11.28
Rent spread per square foot ¹	0.69	1.54	1.08	0.53
Vacated				
Square feet ²	124,175	68,794	74,008	76,465
Expiring rent per square foot ¹	\$ 14.92	\$ 15.23	\$ 13.99	\$ 12.83
New				
Square feet	98,198	160,792	103,142	143,462
New rent per square foot ¹	\$ 19.92	\$ 15.68	\$ 18.76	\$ 11.66
Total base rent retained ³	\$ 5,234	\$ 5,667	\$ 5,948	\$ 8,704
Incremental base rent ³	\$ 2,422	\$ 3,258	\$ 2,570	\$ 2,134

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 March 31, 2024 is as follows:

	GLA	Number of tenants	Weighted average expiring rent	Weighted average new rent
Renewed leases	672,586	63	\$ 10.54	\$ 11.23
New leases	98,198	30	N/A	19.92
Total / weighted average	770,784	93	\$ 10.54	\$ 12.34
Less, leases not renewed / vacated during term ¹	(124,175)	(25)	14.92	N/A
Net total / weighted average ²	646,609	68	N/A	\$ 12.34

¹ Adjusted for lease buyouts and vacancies due to redevelopment.

² Includes the REIT's share of joint venture investments.

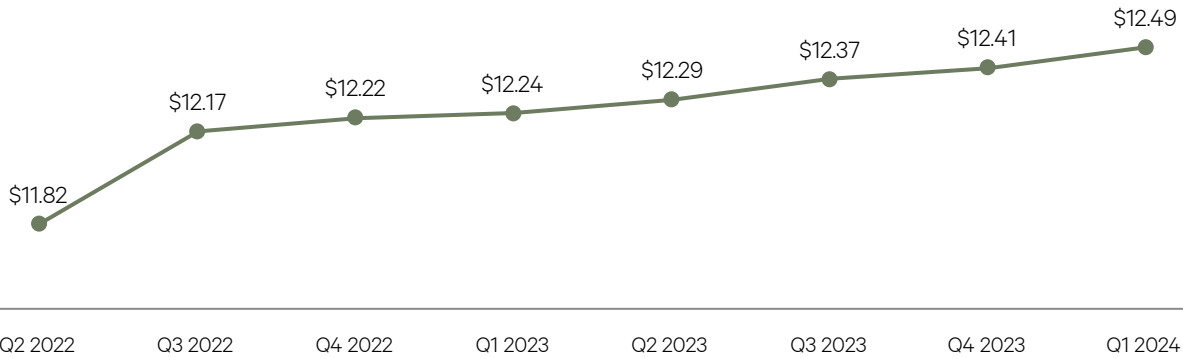
Net rental rates

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

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Grocery rent	\$ 9.03	\$ 9.06	\$ 9.05	\$ 9.04	\$ 9.05	\$ 9.04	\$ 8.99	\$ 8.94
Shop space rent	15.42	15.30	15.26	15.14	15.02	15.03	14.91	14.76
Total ¹	\$ 12.49	\$ 12.41	\$ 12.37	\$ 12.29	\$ 12.24	\$ 12.22	\$ 12.17	\$ 11.82

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

In-place Rents



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.

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 94.4% at March 31, 2024.

Occupancy has decreased by 0.3% to 94.4% from December 31, 2023, primarily due to 43,282 square feet of vacancies, net of new leasing, as discussed above.

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

	2020			2021				2022				2023				2024
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Properties ¹	77	76	75	80	80	107	107	107	108	121	117	117	117	117	117	117
Occupancy ¹	92.2%	92.5%	92.9%	93.1%	93.2%	93.5%	93.6%	93.2%	93.4%	93.1%	93.2%	93.7%	93.9%	94.1%	94.7%	94.4%

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

Historical Occupancy Rates



Geographic overview

The REIT's portfolio is geographically diversified. As of March 31, 2024, the REIT's 117 properties were located in 24 states with a presence in 51 MSAs. The REIT has 70 properties, or 59.8% 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.

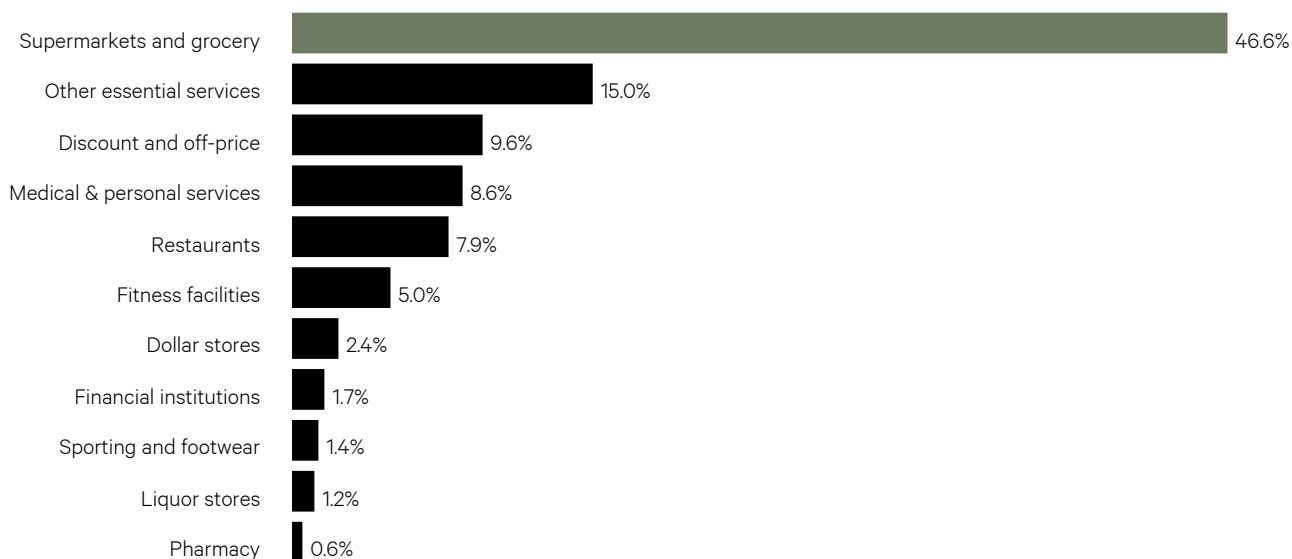
The following is a summary of the geographic location and relative dispersion of the REIT's property portfolio:

State	Number of assets	Total SF	Occupied SF	Percentage of revenue	Occupancy
Florida	19	2,470,546	2,364,605	18.4%	95.7%
North Carolina	16	1,917,938	1,813,032	12.5%	94.5%
New York	12	1,703,475	1,470,813	11.4%	86.3%
Georgia	9	1,138,977	1,093,104	7.2%	96.0%
Pennsylvania	6	1,024,017	981,872	5.8%	95.9%
Texas	9	832,038	807,898	5.7%	97.1%
South Carolina	5	845,283	834,811	5.2%	98.8%
Virginia	6	719,888	630,368	4.6%	87.6%
Minnesota	5	573,159	541,970	3.4%	94.6%
Michigan	4	510,875	494,439	3.0%	96.8%
Ohio	3	556,930	546,539	2.6%	98.1%
Illinois	4	409,002	375,208	2.5%	91.7%
Massachusetts	1	273,532	268,032	2.5%	98.0%
Tennessee	5	526,641	521,721	2.4%	99.1%
North Dakota	2	261,578	227,122	2.0%	86.8%
West Virginia	2	389,904	388,025	2.0%	99.5%
Colorado	1	151,548	150,060	1.5%	99.0%
California	1	194,872	186,579	1.5%	95.7%
Indiana	2	233,951	220,724	1.5%	94.3%
New Hampshire	1	151,945	141,641	1.0%	93.2%
Maryland	1	112,314	100,984	1.0%	89.9%
Utah	1	127,507	110,801	0.9%	86.9%
Wisconsin	1	123,028	123,028	0.8%	100.0%
Kentucky	1	80,866	77,016	0.6%	95.2%
Total¹	117	15,329,814	14,470,392	100.0%	94.4%

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

Tenant categories

As of March 31, 2024, the REIT has the following tenant categories within the portfolio, allocated by GLA:



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 tenants are typically non-discretionary goods and services that drive foot traffic at the REIT's centres. The REIT's properties, which are located in well-established neighborhoods, facilitate efficient last mile delivery.

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 25 stores and 5.9% of base rent.

The largest 15 tenants account for 45.0% of total GLA and 34.6% 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	25	9.2%	\$ 10,735	5.9 %
Walmart, Inc.	Wal-Mart, Sam's Club	Y	10	9.0%	9,234	5.1 %
Ahold Delhaize	Stop & Shop, GIANT, Food Lion, Hannaford	Y	12	3.9%	7,779	4.3 %
Albertsons	Jewel Osco, Acme, Tom Thumb, Safeway	Y	12	3.9%	5,354	2.9 %
Publix Super Markets, Inc.	Publix	Y	11	3.9%	5,307	2.9 %
Tops Friendly Markets	Tops Markets	Y	8	3.0%	4,530	2.5 %
Dollar Tree, Inc.	Dollar Tree, Family Dollar	N	24	1.5%	2,622	1.4 %
Beall's, Inc.	Beall's, Burke's	N	8	1.9%	2,432	1.3 %
Ross Stores, Inc.	Ross Dress for Less, dd's Discounts	N	8	1.4%	2,408	1.3 %
Southeastern Grocers	Winn Dixie	Y	5	1.6%	2,319	1.3 %
United Natural Foods, Inc.	Cub Foods, Shop n' Save, County Market	Y	4	1.4%	2,145	1.2 %
Coborn's, Inc.	Cash Wise	Y	3	0.8%	2,005	1.2 %
Planet Fitness	Planet Fitness	N	9	1.2%	2,151	1.2 %
TJX Companies	Marshalls, T.J. Maxx, HomeGoods	N	6	1.4%	2,121	1.2 %
Alex Lee Inc.	Lowe's Foods	Y	5	0.9%	1,684	0.9 %
Total ¹			150	45.0%	\$ 62,826	34.6%

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 tenancing. 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 property as redevelopment:

East Little Creek is a 66,000 square foot single tenant shopping center, which was previously occupied by Kroger. The property is ideally located at the intersection of East Little Creek Rd. and I-64 in Norfolk, Virginia, situated at the entrance of the Norfolk Naval Base. Within this immediate trade area, there is also ongoing synergetic development activity being undertaken that is drawing considerable foot traffic and demand for retail space. The REIT is currently undergoing activities to reposition the site, which will include demolition of the existing box and redevelopment of anchor and in-line units. The REIT is currently in discussions with various multi-national and national retail users for this purpose.

IFRS FAIR VALUE

The REIT's property portfolio at March 31, 2024 had an estimated IFRS fair value of \$2.1 billion, with a weighted average capitalization rate of 7.2% and on a proportionate basis, the fair value is \$2.4 billion. Overall, the average estimated proportionate value of the REIT's portfolio is \$155 per square foot.

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

Direct capitalization rates	March 31, 2024	December 31, 2023
Minimum ¹	5.9%	6.0%
Maximum ¹	9.2%	9.2%
Weighted average ¹	7.2%	7.2%

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

The March 31, 2024 weighted average capitalization rate remained largely unchanged at 7.2% from December 31, 2023. Changes in the weighted average capitalization rate at the property level were driven primarily by overall market conditions during the period, partially offset by 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.

The change in properties is as follows:

	Three months ended March 31,	
	2024	2023
Beginning of the period	\$ 2,062,599	\$ 2,087,432
Capital expenditures	736	1,082
Leasing costs	808	684
Tenant improvements	1,558	807
Development and expansion capital	3,447	1,925
Straight-line rent	114	118
IFRIC 21 property tax adjustment	(21,145)	(20,547)
Change in fair value ¹	13,682	(17,880)
End of the period	\$ 2,061,799	\$ 2,053,621
Joint venture investment properties	307,900	312,300
End of the period, including joint venture investments	\$ 2,369,699	\$ 2,365,921

¹ 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-IFRS measure. The non-IFRS 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 month period ended.

	Three months ended March 31, 2024			Three months ended March 31, 2023		
	Consolidated	Joint venture investments	Proportionate Share (Non-IFRS)	Consolidated	Joint venture investments	Proportionate Share (Non-IFRS)
Beginning of the period	\$ 2,062,599	\$ 307,300	\$ 2,369,899	\$ 2,087,432	\$ 313,600	\$ 2,401,032
Capital expenditures	736	59	795	1,082	73	1,155
Leasing costs	808	200	1,008	684	185	869
Tenant improvements	1,558	402	1,960	807	177	984
Development and expansion capital	3,447	355	3,802	1,925	45	1,970
Straight-line rent	114	(10)	104	118	28	146
IFRIC 21 property tax adjustment	(21,145)	(3,910)	(25,055)	(20,547)	(3,869)	(24,416)
Change in fair value ¹	13,682	3,504	17,186	(17,880)	2,061	(15,819)
End of the period	\$ 2,061,799	\$ 307,900	\$ 2,369,699	\$ 2,053,621	\$ 312,300	\$ 2,365,921

¹ Change in fair value includes impacts due to valuation parameters, cash flows and accounting adjustments for IFRIC 21 property tax and straight-line rent.

Including the impact of the REIT's joint venture arrangements, capital, leasing, and tenant improvement costs for the three month period ended March 31, 2024 were \$3.8 million. Such costs are generally expended for purposes of tenancing 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 March 31, 2024, the change in fair value of properties increased by \$31.6 million primarily due to changes in valuation parameters and cash flows, partially offset by IFRIC 21 adjustments.

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

	Three months ended March 31,	
	2024	2023
Valuation parameters and cash flows	\$ (7,349)	\$ (38,309)
IFRIC 21 property tax adjustment	21,145	20,547
Adjusted for straight-line rent	(114)	(118)
Total	\$ 13,682	\$ (17,880)

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 tenancing 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	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Rental revenue	\$ 51,915	\$ 51,539	\$ 50,629	\$ 50,324	\$ 50,789	\$ 50,655	\$ 48,404	\$ 39,460
Property operating expenses ¹	(37,600)	(9,209)	(8,830)	(8,835)	(36,917)	(7,352)	(7,675)	(6,454)
Straight-line rent revenue	(114)	(95)	(391)	(156)	(118)	(175)	(254)	65
IFRIC 21 property tax adjustment ¹	21,145	(7,360)	(6,532)	(6,655)	20,547	(7,278)	(6,333)	(5,446)
Adjustments for joint venture investments	5,226	5,264	5,306	5,635	5,537	4,749	5,313	5,300
NOI ^{2,3}	\$ 40,572	\$ 40,139	\$ 40,182	\$ 40,313	\$ 39,838	\$ 40,599	\$ 39,455	\$ 32,925
Class U equivalent units outstanding ⁴	60,318	60,301	60,276	60,631	61,240	61,473	61,465	61,456
WA units	60,307	60,285	60,473	60,897	61,460	61,468	61,460	61,389
Net income (loss) ³	\$ 13,612	\$ 5,177	\$ 12,370	\$ 18,948	\$ (14,831)	\$ 18,506	\$ 33,553	\$ 59,389
Net income (loss) per WA unit ³	\$ 0.23	\$ 0.09	\$ 0.20	\$ 0.31	\$ (0.24)	\$ 0.30	\$ 0.55	\$ 0.97
NAV ^{2,3}	\$ 845,180	\$ 842,363	\$ 859,137	\$ 863,443	\$ 863,235	\$ 900,700	\$ 894,871	\$ 866,879
NAV per unit ^{2,3}	\$ 14.01	\$ 13.97	\$ 14.25	\$ 14.24	\$ 14.10	\$ 14.65	\$ 14.56	\$ 14.11
Distributions declared	\$ 12,968	\$ 12,968	\$ 13,006	\$ 13,095	\$ 13,218	\$ 13,236	\$ 13,236	\$ 13,234
Distributions per unit	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22
FFO ^{2,3}	\$ 16,198	\$ 15,991	\$ 16,329	\$ 16,513	\$ 15,955	\$ 16,799	\$ 17,696	\$ 16,121
FFO per WA units ^{2,3}	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.27	\$ 0.26	\$ 0.27	\$ 0.29	\$ 0.26
AFFO ^{2,3}	\$ 13,045	\$ 13,029	\$ 13,061	\$ 13,603	\$ 13,397	\$ 13,789	\$ 14,596	\$ 13,510
AFFO per WA units ^{2,3}	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.22	\$ 0.24	\$ 0.22
Total assets (IFRS)	\$2,241,191	\$2,235,798	\$2,244,401	\$2,239,128	\$2,231,131	\$2,270,400	\$2,321,246	\$1,886,288
Debt	\$1,165,036	\$1,161,756	\$1,144,742	\$1,141,434	\$1,134,561	\$1,131,487	\$1,175,041	\$968,140
Debt / GBV	52.0%	52.0%	51.0%	51.0%	50.9%	49.8%	50.6%	51.3%
Number of properties ³	117	117	117	117	117	117	121	108
Leased (%) ³	94.4%	94.7%	94.1%	93.9%	93.7%	93.2%	93.1%	93.4%
GLA ³	15,329,814	15,316,529	15,316,802	15,312,744	15,284,170	15,284,265	15,632,405	13,333,653
Grocery-anchored GLA ³	6,645,958	6,712,077	6,712,077	6,712,077	6,679,309	6,679,309	6,725,836	6,293,655

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 15.

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

⁴ 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.

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 for its proportionate interest in joint venture arrangements which are equity accounted:

	March 31, 2024			December 31, 2023		
	Statement of Financial Position	Joint Venture Investments	Proportionate Share (Non-IFRS)	Statement of Financial Position	Joint Venture Investments	Proportionate Share (Non-IFRS)
ASSETS						
Non-current assets						
Properties	\$ 2,061,799	\$ 307,900	\$ 2,369,699	\$ 2,062,599	\$ 307,300	\$ 2,369,899
Joint venture investments	108,486	(108,486)	—	107,101	(107,101)	—
Interest rate swaps	14,621	612	15,233	7,652	580	8,232
Other assets	558	4,551	5,109	718	4,268	4,986
	\$ 2,185,464	\$ 204,577	\$ 2,390,041	\$ 2,178,070	\$ 205,047	\$ 2,383,117
Current assets						
Cash	23,407	4,709	28,116	23,587	4,420	28,007
Accounts receivable	21,846	1,442	23,288	22,172	1,813	23,985
Other assets	6,167	—	6,167	6,985	—	6,985
Prepays	4,307	1,389	5,696	4,984	1,049	6,033
	\$ 55,727	\$ 7,540	\$ 63,267	\$ 57,728	\$ 7,282	\$ 65,010
Total assets	\$ 2,241,191	\$ 212,117	\$ 2,453,308	\$ 2,235,798	\$ 212,329	\$ 2,448,127
LIABILITIES						
Non-current liabilities						
Debt	\$ 595,634	\$ 205,433	\$ 801,067	\$ 859,637	\$ 205,831	\$ 1,065,468
Deferred income taxes	149,417	2	149,419	146,651	2	146,653
Other liabilities	4,365	434	4,799	4,346	482	4,828
	\$ 749,416	\$ 205,869	\$ 955,285	\$ 1,010,634	\$ 206,315	\$ 1,216,949
Current liabilities						
Debt	569,402	1,009	570,411	302,119	1,466	303,585
Accounts payable and accrued liabilities	41,292	5,239	46,531	43,217	4,548	47,765
Distributions payable	4,323	—	4,323	4,323	—	4,323
Exchangeable units of subsidiaries	7,661	—	7,661	8,269	—	8,269
	\$ 622,678	\$ 6,248	\$ 628,926	\$ 357,928	\$ 6,014	\$ 363,942
Total liabilities	\$ 1,372,094	\$ 212,117	\$ 1,584,211	\$ 1,368,562	\$ 212,329	\$ 1,580,891
EQUITY						
Unitholders' equity	\$ 688,102	\$ —	\$ 688,102	\$ 687,443	\$ —	\$ 687,443
Non-controlling interest	180,995	—	180,995	179,793	—	179,793
Total equity	\$ 869,097	\$ —	\$ 869,097	\$ 867,236	\$ —	\$ 867,236
Total liabilities and equity	\$ 2,241,191	\$ 212,117	\$ 2,453,308	\$ 2,235,798	\$ 212,329	\$ 2,448,127

The following table provides a reconciliation of the REIT's statement of income, as presented in its consolidated financial statements for its proportionate interest in joint venture arrangements which are equity accounted for the three month periods ended March 31, 2024 and 2023:

	Three months ended March 31, 2024			Three months ended March 31, 2023		
	Statement of Income	Joint Venture Investments	Proportionate Share (Non-IFRS)	Statement of Income	Joint Venture Investments	Proportionate Share (Non-IFRS)
Rental revenue	\$ 51,915	\$ 8,221	\$ 60,136	\$ 50,789	\$ 8,412	\$ 59,201
Property operating expenses	(37,600)	(6,917)	(44,517)	(36,917)	(6,717)	(43,634)
General and administrative expenses	(3,945)	(226)	(4,171)	(3,847)	(192)	(4,039)
Interest and finance costs	(14,017)	(1,920)	(15,937)	(13,237)	(1,904)	(15,141)
Share of income in joint venture investments	2,695	(2,695)	—	1,459	(1,459)	—
Change in fair value of financial instruments	2,186	32	2,218	—	(199)	(199)
Change in fair value of properties	13,682	3,505	17,187	(17,880)	2,059	(15,821)
Net income (loss) before income taxes and unit income	\$ 14,916	\$ —	\$ 14,916	\$ (19,633)	\$ —	\$ (19,633)
Deferred income tax (expense) recovery	(1,591)	—	(1,591)	4,624	—	4,624
Current income tax expense	(325)	—	(325)	(724)	—	(724)
Unit income	612	—	612	902	—	902
Net income (loss)	\$ 13,612	\$ —	\$ 13,612	\$ (14,831)	\$ —	\$ (14,831)
Net income (loss) attributable to						
Unitholders	\$ 10,858	\$ —	\$ 10,858	\$ (12,100)	\$ —	\$ (12,100)
Non-controlling interest	2,754	—	2,754	(2,731)	—	(2,731)
Net Income (loss)	\$ 13,612	\$ —	\$ 13,612	\$ (14,831)	\$ —	\$ (14,831)

REVENUE

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

Rental revenue for the three month period ended March 31, 2024 increased by \$1.1 million compared to the same period in the prior year primarily as a result of new leasing above in-place rent and increases in rental rates from re-leasing, partially offset by temporary vacancies, inclusive of properties under development.

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 month period ended March 31, 2024 increased by \$0.7 million compared to the same period in the prior year primarily as a result of increases in property tax expenses and repairs and maintenance expenditures required in the current period, partially offset by decreases in other non-recoverable expenses.

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 March 31,		
	2024	2023	Variance
Asset management fees	\$ 2,279	\$ 2,392	\$ (113)
Professional fees and other	1,316	1,042	274
Bad debt expense	245	179	66
Franchise and business taxes	105	234	(129)
Total	\$ 3,945	\$ 3,847	\$ 98
% of total assets	0.2%	0.2%	—%
% of total revenue	7.6%	7.6%	—%

General and administrative expenses for the three month period ended March 31, 2024 increased by \$0.1 million compared to the same period in the prior year primarily as a result of increases to professional fees due to the timing of work performed, partially offset by decreases in asset management fees due to a lower GBV base, and lower franchise and business taxes.

INTEREST AND FINANCE COSTS

	Three months ended March 31,		
	2024	2023	Variance
Interest on debt and finance charges	\$ 17,142	\$ 15,500	\$ 1,642
Interest rate swaps, net settlement	(3,557)	(2,863)	(694)
Interest income	(103)	(8)	(95)
Amortization of finance charges	805	685	120
Amortization of mark-to-market	(56)	(55)	(1)
Amortization of gain on financial instrument	(192)	—	(192)
Amortization of deferred gain on TIF notes	(22)	(22)	—
Total	\$ 14,017	\$ 13,237	\$ 780

The following shows the change in interest on debt and finance charges, net of interest rate swaps for the three month period ended March 31, 2024 compared to the same period in the prior year:

Interest on debt and finance charges, net of interest rate swaps, March 31, 2023	\$ 12,637
Change in debt levels, and interest rates, net of interest rate hedges ¹	1,130
Change in debt spreads	(346)
Increase in fixed rate debt	190
Decrease in standby fee	(26)
Interest on debt and finance charges, net of interest rate swaps, March 31, 2024	\$ 13,585
Year-over-year change - \$	\$ 948
Year-over-year change - %	7.5%

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 March 31, 2024 is 4.45% (March 31, 2023 - 4.26%).

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 \$0.9 million for the three month period ended compared to the same period in 2023. The increase was primarily due to an increase in the average debt level over the comparative period and a higher pay-fixed weighted average rate on interest rate swaps, partially offset by a reduction in debt spreads. 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 SOFR based interest payments, with 94.2% of the REIT's debt subject to fixed rates at March 31, 2024. The weighted average fixed rate of the REIT's interest rate swaps was 3.1% compared to the one-month SOFR at 5.3% at March 31, 2024, with a weighted average term to maturity of 3.1 years. Under this arrangement, the REIT has received \$3.6 million and \$2.9 million of net interest receipts in the current quarter and comparative period, respectively.

On November 15, 2023, the REIT amended the \$137.5 million interest rate swap with a pay-fixed rate of 3.615% and maturity date of July 22, 2027. The one-time cancellation option that was in place prior to the amendment was removed and this swap is carried at fair value through profit or loss.

On May 18, 2023, the REIT amended the \$137.5 million interest rate swap with a pay-fixed rate of 1.691% and maturity date of July 22, 2027 by adding a one-time cancellation option by the REIT's counterparty on July 24, 2024. As a result of this amendment, the cash flow hedge was deemed no longer to be an effective hedge and hedge accounting was discontinued. On the day of the amendment, \$0.9 million was reclassified from the cash flow hedge reserve to profit or loss as the underlying cash flow was no longer expected to occur. The remaining \$3.3 million cash flow hedge reserve is amortized on a straight-line basis over the remaining expected terms of the hedged cash flows. Subsequent to the amendment, the swap is carried at fair value through profit or loss.

On May 18, 2023, the REIT entered into a forward pay-fixed, receive-float swap contract to hedge the cash flow risk associated with monthly SOFR based interest payments, effective August 22, 2023, for \$175.0 million. The swap is for a 5-year term maturing on August 22, 2028 with a pay-fixed rate of 3.465%.

The REIT does not capitalize interest for its projects under development. Interest expense is recognized as incurred in income (loss), 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 income (expense) in the consolidated statements of income (loss). 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 March 31, 2024 was \$8.44 (December 31, 2023– \$9.11). 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 month period ended, the REIT recognized an unrealized fair value gain of \$0.6 million on the exchangeable units of subsidiaries as a result of the change in fair value per unit over the comparative period.

NET INCOME

For the three month period ended March 31, 2024, net income increased by \$28.4 million compared to the same period in the prior year. The increase is attributed to a \$31.6 million increase in the change in fair value of properties, \$1.2 million increase in income from joint venture investments, and \$2.2 million increase in the change in fair value of financial instruments, partially offset by a \$6.2 million decrease in deferred income tax recoveries and \$0.8 million increase in interest and finance costs.

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 March 31,		
	2024	2023	Variance
Rental revenue	\$ 51,915	\$ 50,789	\$ 1,126
Straight-line rent revenue	(114)	(118)	4
Property operating expenses	(37,600)	(36,917)	(683)
IFRIC 21 property tax adjustment	21,145	20,547	598
Contribution from joint venture investments	5,226	5,537	(311)
NOI ¹	\$ 40,572	\$ 39,838	\$ 734

¹Excludes the impact of non-controlling interest.

The following shows the change in NOI for the three month period ended March 31, 2024 compared to the same period in the prior year:

NOI, March 31, 2023 ¹	\$ 39,838
Change in same-property NOI ¹	411
Contribution from redeveloped properties	570
Loss of contribution from properties under redevelopment	(137)
Loss of contribution from dispositions, including outparcel sales	(110)
NOI, March 31, 2024	\$ 40,572
Year-over-year change - \$	\$ 734
Year-over-year change - %	1.8%

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

NOI for the three month period ended March 31, 2024 was \$40.6 million, which represents an increase of \$0.7 million from the same period in 2023, primarily due to increases in rental revenue from re-leasing above average in-place rent and new leasing above comparable market rental rates, as well as additional NOI generated from completed redevelopment properties. These amounts were partially offset by temporary vacancies, as well as losses in contribution of NOI from properties moved into redevelopment and disposed properties.

The following shows the change in NOI for the three month period ended March 31, 2024 compared to the immediately preceding quarter:

NOI, December 31, 2023 ¹	\$ 40,139
Change in same-property NOI ¹	504
Contribution from redeveloped properties	67
Loss of contribution from properties under redevelopment	(138)
NOI, March 31, 2024	\$ 40,572
Quarter-over-quarter change – \$	\$ 433
Quarter-over-quarter change – %	1.1%

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

NOI for the current quarter increased by \$0.4 million from the fourth quarter of 2023 to \$40.6 million due to increases in recovery revenue and increased NOI contribution from completed redevelopment properties, partially offset by a loss in contribution of NOI from properties moved into 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 March 31, 2024, the same-property portfolio consists of a portfolio of 113 properties owned and in operation for each of the entire three month periods ended March 31, 2024 and 2023.

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 March 31, 2024 as compared to the same period in the prior year, reconciled to total NOI:

	Number of properties	Three months ended March 31,			
		2024	2023	Variance	Change (%)
Same-property NOI¹	113	\$ 39,229	\$ 38,818	\$ 411	1.1%
NOI attributable to redeveloped properties	3	1,285	715	570	
NOI attributable to properties under redevelopment	1	58	195	(137)	
NOI attributable to dispositions, including outparcel sales	4	—	110	(110)	
Total NOI¹		\$ 40,572	\$ 39,838	\$ 734	1.8%
Occupancy, same-property¹	113	94.9%	93.7%	1.2%	
Occupancy, redeveloped properties	3	90.7%	90.7%	—%	
Occupancy, properties under redevelopment	1	—%	100.0%	(100.0%)	
Occupancy, dispositions, including outparcel sales	4	—%	—%	—%	
Occupancy, portfolio¹		94.4%	93.7%	0.7%	

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

Same-property NOI for the current quarter increased by 1.1% or \$0.4 million over the comparative period. The 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 and an increase in property operating expenses. Including the impact of completed redevelopments, same-property NOI increased by 2.5% or \$1.0 million over the comparative period.

The following is a summary of same-property NOI and the related occupancy rates for the trailing twelve month period ended March 31, 2024, as compared to the same period in the prior year, reconciled to total NOI:

	Number of properties	Trailing twelve months, March 31,			
		2024	2023	Variance	Change (%)
Same-property NOI¹	96	\$ 119,968	\$ 119,529	\$ 439	0.4%
NOI attributable to redeveloped properties ¹	7	10,967	9,284	1,683	
NOI attributable to properties under redevelopment	1	641	774	(133)	
NOI attributable to acquisitions	13	29,637	21,239	8,398	
NOI attributable to dispositions, including outparcel sales	4	(7)	1,991	(1,998)	
Total NOI¹		\$ 161,206	\$ 152,817	\$ 8,389	5.5%
Occupancy, same-property¹	96	94.7%	93.2%	1.5%	
Occupancy, redeveloped properties ¹	7	94.1%	92.0%	2.1%	
Occupancy, properties under redevelopment	1	—%	100.0%	(100.0%)	
Occupancy, acquisitions	13	95.8%	96.5%	(0.7%)	
Occupancy, dispositions, including outparcel sales	4	—%	93.3%	(93.3%)	
Occupancy, portfolio¹		94.4%	93.7%	0.7%	

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

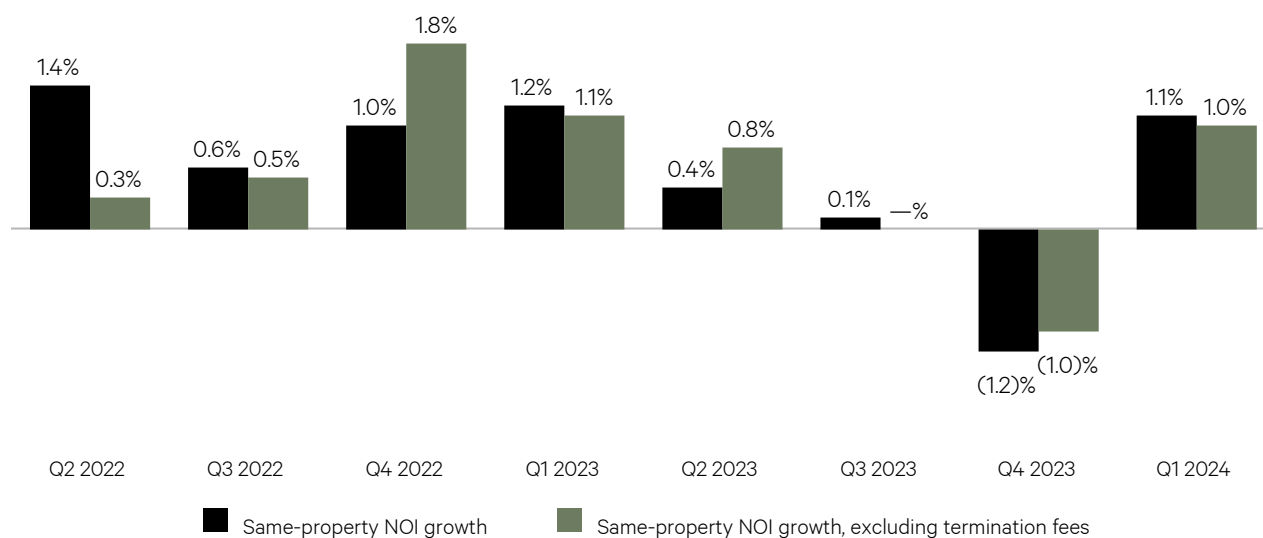
Same-property NOI for the trailing twelve month period ended March 31, 2024 increased by \$0.4 million or 0.4% over the comparative period. This increase was primarily attributed to increases in rental rates from re-leasing above average in-place rent and new leasing above comparable market rental rates, partially offset by increases in property operating expenses and temporary vacancies. Including the impact of completed redevelopments, same-property NOI increased by \$2.1 million or 1.6% 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
Q2 2022	70	21,687	1.4%	0.3%
Q3 2022	71	21,681	0.6%	0.5%
Q4 2022	96	29,303	1.0%	1.8%
Q1 2023	96	29,827	1.2%	1.1%
Q2 2023	96	29,984	0.4%	0.8%
Q3 2023	100	31,850	0.1%	—%
Q4 2023	113	38,564	(1.2%)	(1.0%)
Q1 2024	113	39,229	1.1%	1.0%

Termination income is included in the REIT's definition of same-property NOI, however, can be substantial and does not occur frequently. The following summarizes same-property NOI growth excluding the impact of termination 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 to the REIT's consolidated financial statements:

	March 31, 2024	December 31, 2023
Total equity	\$ 869,097	\$ 867,236
Less: non-controlling interest	(180,995)	(179,793)
Adjusted unitholders' equity	\$ 688,102	\$ 687,443
Deferred income taxes	149,417	146,651
Exchangeable units	7,661	8,269
NAV	\$ 845,180	\$ 842,363
Class U units outstanding	60,318	60,301
NAV per unit	\$ 14.01	\$ 13.97

NAV per unit has increased by \$0.04 primarily as a result of funds generated from operations partially offset by distributions paid during the year.

	March 31, 2024	December 31, 2023
Properties	\$ 2,061,799	\$ 2,062,599
Other non-current assets	123,665	115,471
Current assets	55,727	57,728
Debt	(1,165,036)	(1,161,756)
Other non-current liabilities	(4,365)	(4,346)
Current liabilities	(45,615)	(47,540)
Non-controlling interest	(180,995)	(179,793)
NAV	\$ 845,180	\$ 842,363
Class U units outstanding	60,318	60,301
NAV per unit	\$ 14.01	\$ 13.97

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 the Real Property Association of Canada ("REALPAC") in its White Paper on FFO and AFFO for IFRS, as revised in January 2022. 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 (loss), deferred income tax (expense) recovery, unit income and IFRIC 21 accounting related adjustments.

The following is a reconciliation of net income to FFO:

	Three months ended March 31,		
	2024	2023	Variance
Net income (loss)	\$ 13,612	\$ (14,831)	\$ 28,443
Change in fair value of financial instruments	(2,186)	—	(2,186)
Change in fair value of properties	(13,682)	17,880	(31,562)
Deferred income tax expense (recovery)	1,591	(4,624)	6,215
Unit income	(612)	(902)	290
Adjustments for joint venture investments	385	1,982	(1,597)
Non-controlling interest	(4,055)	(4,097)	42
IFRIC 21 property tax adjustment	21,145	20,547	598
FFO	\$ 16,198	\$ 15,955	\$ 243
FFO per WA unit	\$ 0.27	\$ 0.26	\$ 0.01
WA number of units outstanding	60,307	61,460	(1,153)

The following is a calculation of FFO from NOI:

	Three months ended March 31,		
	2024	2023	Variance
NOI	\$ 40,572	\$ 39,838	\$ 734
Straight-line rent revenue	114	118	(4)
General and administrative expenses	(3,945)	(3,847)	(98)
Cash interest, net ¹	(13,460)	(12,607)	(853)
Finance charge and mark-to-market adjustments	(557)	(630)	73
Adjustments for joint venture investments	(2,146)	(2,096)	(50)
Non-controlling interest	(4,055)	(4,097)	42
Current income tax expense	(325)	(724)	399
FFO	\$ 16,198	\$ 15,955	\$ 243

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

FFO for the three month period ended March 31, 2024 increased by \$0.2 million from the comparative period primarily due to the aforementioned increases to NOI and a reduction in current income tax expense, partially offset by increases to cash interest, net and general and administrative expenses.

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 revenue sustaining capital expenditures, leasing costs, tenant improvements and straight-line rent. The calculation excludes redevelopment and expansion capital expenditures, which are revenue enhancing. 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 January 2022. 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 March 31,		
	2024	2023	Variance
Cash flow from operations	\$ 17,039	\$ 19,179	\$ (2,140)
Changes in non-cash working capital items	452	(2,086)	2,538
Finance charge and mark-to-market adjustments	(557)	(630)	73
Interest, net and TIF note adjustments	125	30	95
Adjustments for joint venture investments	2,431	2,979	(548)
Non-controlling interest	(3,343)	(3,502)	159
Capital expenditures	(736)	(1,082)	346
Leasing costs	(808)	(684)	(124)
Tenant improvements	(1,558)	(807)	(751)
AFFO	\$ 13,045	\$ 13,397	\$ (352)

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 March 31,		
	2024	2023	Variance
FFO	\$ 16,198	\$ 15,955	\$ 243
Straight-line rental revenue	(114)	(118)	4
Capital expenditures	(736)	(1,082)	346
Leasing costs	(808)	(684)	(124)
Tenant improvements	(1,558)	(807)	(751)
Adjustments for joint venture investments	(649)	(462)	(187)
Non-controlling interest	712	595	117
AFFO	\$ 13,045	\$ 13,397	\$ (352)
AFFO per WA unit	\$ 0.22	\$ 0.22	\$ —
WA number of units outstanding	60,307	61,460	(1,153)

The following is a reconciliation of net income to AFFO:

	Three months ended March 31,		
	2024	2023	Variance
Net income (loss)	\$ 13,612	\$ (14,831)	\$ 28,443
Change in fair value of financial instruments	(2,186)	—	(2,186)
Change in fair value of properties	(13,682)	17,880	(31,562)
Deferred income tax expense (recovery)	1,591	(4,624)	6,215
Unit income	(612)	(902)	290
Adjustments for joint venture investments	385	1,982	(1,597)
Non-controlling interest	(4,055)	(4,097)	42
IFRIC 21 property tax adjustment	21,145	20,547	598
FFO	\$ 16,198	\$ 15,955	\$ 243
Straight-line rental revenue	(114)	(118)	4
Capital expenditures	(736)	(1,082)	346
Leasing costs	(808)	(684)	(124)
Tenant improvements	(1,558)	(807)	(751)
Adjustments for joint venture investments	(649)	(462)	(187)
Non-controlling interest	712	595	117
AFFO	\$ 13,045	\$ 13,397	\$ (352)

The following is a calculation of AFFO from NOI:

	Three months ended March 31,		
	2024	2023	Variance
NOI	\$ 40,572	\$ 39,838	\$ 734
General and administrative expenses	(3,945)	(3,847)	(98)
Cash interest, net ¹	(13,460)	(12,607)	(853)
Finance charge and mark-to-market adjustments	(557)	(630)	73
Current income tax expense	(325)	(724)	399
Adjustments for joint venture investments	(2,795)	(2,558)	(237)
Non-controlling interest	(3,343)	(3,502)	159
Capital expenditures	(736)	(1,082)	346
Leasing costs	(808)	(684)	(124)
Tenant improvements	(1,558)	(807)	(751)
AFFO	\$ 13,045	\$ 13,397	\$ (352)

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

AFFO for the three month period ended was \$13.0 million, which represents a \$0.4 million decrease from the respective comparative period. The decrease is primarily due to the aforementioned increases to cash interest, net, as well as higher leasing costs and tenant improvements to support higher leasing activity. These amounts were partially offset by higher NOI, lower current income tax, and lower capital expenditures.

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 tenancing 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 first 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 93 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 consists 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-IFRS) measure. With the exception of net income (loss), 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 March 31, 2024			Three months ended March 31, 2023		
	Consolidated	Joint venture investments	Proportionate Share (Non-IFRS)	Consolidated	Joint venture investments	Proportionate Share (Non-IFRS)
Rental revenue	\$ 51,915	\$ 8,221	\$ 60,136	\$ 50,789	\$ 8,412	\$ 59,201
Property operating expenses ¹	(37,600)	(6,917)	(44,517)	(36,917)	(6,717)	(43,634)
General and administrative expenses	(3,945)	(226)	(4,171)	(3,847)	(192)	(4,039)
Interest and finance costs	(14,017)	(1,920)	(15,937)	(13,237)	(1,904)	(15,141)
Share of income in joint venture investments	2,695	(2,695)	—	1,459	(1,459)	—
Change in fair value of financial instruments	2,186	32	2,218	—	(199)	(199)
Change in fair value of properties	13,682	3,505	17,187	(17,880)	2,059	(15,821)
Deferred income tax (expense) recovery	(1,591)	—	(1,591)	4,624	—	4,624
Current income tax expense	(325)	—	(325)	(724)	—	(724)
Unit income	612	—	612	902	—	902
Net income (loss)	\$ 13,612	\$ —	\$ 13,612	\$ (14,831)	\$ —	\$ (14,831)
Change in fair value of financial instruments	(2,186)	(32)	(2,218)	—	199	199
Change in fair value of properties	(13,682)	(3,505)	(17,187)	17,880	(2,059)	15,821
Deferred income tax expense (recovery)	1,591	—	1,591	(4,624)	—	(4,624)
Unit income	(612)	—	(612)	(902)	—	(902)
Adjustments for joint venture investments	385	(385)	—	1,982	(1,982)	—
Non-controlling interest	(4,055)	—	(4,055)	(4,097)	—	(4,097)
IFRIC 21 property tax adjustment and straight-line rental revenue	21,145	3,922	25,067	20,547	3,842	24,389
FFO	\$ 16,198	\$ —	\$ 16,198	\$ 15,955	\$ —	\$ 15,955
Straight-line rental revenue	(114)	12	(102)	(118)	(27)	(145)
Capital expenditures	(736)	(59)	(795)	(1,082)	(73)	(1,155)
Leasing costs	(808)	(200)	(1,008)	(684)	(185)	(869)
Tenant improvements	(1,558)	(402)	(1,960)	(807)	(177)	(984)
Adjustments for joint venture investments	(649)	649	—	(462)	462	—
Non-controlling interest	712	—	712	595	—	595
AFFO	\$ 13,045	\$ —	\$ 13,045	\$ 13,397	\$ —	\$ 13,397

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.

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 paid decreased by \$0.3 million from the comparative period primarily due to repurchases made in the prior year under the REIT's NCIB program resulting in a lower number of class U units.

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

	Three months ended March 31,		
	2024	2023	Variance
Declared			
REIT units distributions	\$ 12,772	\$ 13,022	\$ (250)
Exchangeable units of subsidiaries distributions	196	196	—
	\$ 12,968	\$ 13,218	\$ (250)
Add: Distributions payable, beginning of period	4,323	4,412	(89)
Less: Distributions payable, end of period	(4,323)	(4,394)	71
Distributions paid or settled	\$ 12,968	\$ 13,236	\$ (268)

Taxation of distributions

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

Taxation year, on a per dollar of distribution	Return of capital	Capital gains	Other income	Foreign tax paid
2023	51.0%	—%	50.4%	(1.4%)
2022	34.9%	6.3%	59.9%	(1.1%)
2021	58.9%	12.3%	30.8%	(2.0%)

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 80.1% for the three month period ended March 31, 2024, which represents a 2.7% decrease from the comparative period. The decrease is due to the aforementioned increase to FFO, as well as decreases in distributions declared due to the repurchase of units under the REIT's NCIB program in the prior year.

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

	Three months ended March 31,	
	2024	2023
FFO	\$ 16,198	\$ 15,955
Distributions declared	(12,968)	(13,218)
Excess of FFO over distributions declared	\$ 3,230	\$ 2,737
FFO payout ratio¹	80.1%	82.8%

¹ Distributions declared represent distributions on REIT units and exchangeable units of subsidiaries.

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. 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 March 31, 2024 increased by 0.7% to 99.4% over the comparative period. The increases were a result of the aforementioned decreases to AFFO, partially offset by a decrease in distributions declared as a result of the repurchase of units under the REIT's NCIB program undertaken in the prior year.

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

	Three months ended March 31,	
	2024	2023
AFFO	\$ 13,045	\$ 13,397
Distributions declared ¹	(12,968)	(13,218)
Excess of AFFO over distributions declared	\$ 77	\$ 179
AFFO payout ratio	99.4%	98.7%

¹ Distributions declared represent distributions on REIT units and exchangeable units of subsidiaries.

Impact of interest rate changes

Though the REIT strives to maintain a conservative AFFO payout ratio, 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 SOFR based interest payments on a portion of the REIT's floating rate debt. As a result of the interest rate swaps, 94.2% of the REIT's debt is now subject to fixed rates. The weighted average fixed rate of the REIT's interest rate swaps was 3.1% in comparison to one-month SOFR at 5.3% at March 31, 2024 with a weighted average term to maturity of 3.1 years.

The terms of the interest rate swaps are as follows:

					Total/ Weighted average
Pay-fixed rate	2.822 %	2.400 %	3.615 %	3.465 %	3.084%
Notional amount	\$ 175,000	\$ 137,500	\$ 137,500	\$ 175,000	\$ 625,000
Receive-floating rate	One-month SOFR	One-month SOFR	One-month SOFR	One-month SOFR	
Maturity date	August 22, 2025	July 22, 2027 ¹	July 22, 2027	August 22, 2028	
Remaining term (years)	1.4	3.3	3.3	4.4	3.1

¹ The \$137.5 million interest rate swap with a pay-fixed rate of 2.4% contains a one-time cancellation option by the REIT'S counterparty on July 24, 2025.

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 month period ended March 31, 2024, the deferred income tax expense was \$1.6 million, compared to a \$4.6 million recovery in the same quarter of 2023. The REIT's deferred income taxes relate 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 GBV of the REIT. 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.

Asset management fees incurred and payable to the Manager for the three month period ended March 31, 2024 were \$2.3 million (three month period ended March 31, 2023 – \$2.4 million). No acquisition fees were incurred for the three month period ended March 31, 2024 (three month period ended March 31, 2023 – nil). These transactions are in the normal course of operations, are in accordance with the management agreement and are measured at the exchange amount. The exchange amount is the consideration established under contract, as approved by the REIT's board of trustees. The Manager is a significant unitholder in the REIT, with an approximate 5.6% interest.

The REIT's key personnel include trustees and officers of the REIT. For the three month period ended March 31, 2024, trustee fees amounted to \$0.2 million (three month period ended March 31, 2023 – \$0.1 million).

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.

	Three months ended March 31,	
	2024	2023
Operating activities	\$ 17,039	\$ 19,179
Investing activities	(4,387)	(2,123)
Financing activities	(12,832)	(16,764)
Increase in cash	\$ (180)	\$ 292

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 related to capital, leasing, and tenant improvement expenditures, as well as development and expansion capital. These amounts were partially offset by distributions from joint venture investments and increases to funds held in escrow.

Cash flows used in financing activities primarily related to distributions paid to unitholders, distributions paid to non-controlling interests, and repayments on mortgage financing. These amounts were partially offset by advances made under the REIT's revolver.

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 and term loans provide the required flexibility to support the REIT's acquisition pipeline. The credit facility and term loans represent 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 loans, 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 portfolio, 94.2% of the REIT's debt is subject to fixed rates.

Debt held by the REIT is as follows:

						March 31, 2024	December 31, 2023
	Maturity	Term to maturity (years)	Effective rate	Principal	Mark-to-market adjustments and costs	Carrying amount	Carrying amount
Revolver ^{1 2 3 4 5}	September 21, 2024	0.5	7.04 %	\$ 193,460	\$ (225)	\$ 193,235	\$ 188,108
Term loan ^{1 2 4}	March 21, 2025	1.0	6.94 %	225,000	(281)	224,719	224,647
Term loan 3 ^{1 2 4}	July 15, 2027	3.3	6.94 %	275,000	(3,664)	271,336	271,065
Mortgage	December 6, 2024	0.7	4.03 %	103,950	121	104,071	104,115
Mortgage	January 1, 2025	0.8	3.80 %	38,625	(127)	38,498	38,760
Mortgage	July 1, 2025	1.3	4.14 %	32,614	(109)	32,505	33,013
Mortgage	August 1, 2025	1.3	4.43 %	7,700	29	7,729	7,734
Mortgage	March 18, 2030	6.0	3.48 %	76,640	(956)	75,684	76,091
Mortgage	January 1, 2031	6.8	5.50 %	5,162	88	5,250	5,408
Mortgage	May 1, 2031	7.1	3.75 %	159,000	(2,108)	156,892	157,662
Mortgage	February 1, 2033	8.8	5.50 %	55,939	(822)	55,117	55,153
Total / weighted average		2.5⁵	4.45%⁶	\$ 1,173,090	\$ (8,054)	\$ 1,165,036	\$ 1,161,756
Share of joint venture investments' debt						206,442	207,297
Total / weighted average, proportionate basis						\$ 1,371,478	\$ 1,369,053

¹ The weighted average interest rate has been calculated using the March 31, 2024 one-month SOFR for purposes of the revolver, term loan and term loan 3.

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 145 bps; (ii) greater than 45% but less than or equal to 50% is 155 bps; (iii) greater than 50% but less than or equal to 55% is 170 bps (iv) greater than 55% but less than or equal to 60% is 195 bps; and (v) greater than 60% is 215 bps, and includes a 10 bps SOFR index adjustment. The applicable spread for the term loan and term loan 3 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 150 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 (v) greater than 60% is 205 bps, and includes a 10 bps SOFR index adjustment.

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 3 are secured by a general pledge of equity of certain subsidiaries of the REIT. Collectively, those subsidiaries hold an interest in 50% of the REIT's properties at March 31, 2024 (December 31, 2023 – 50).

⁵ Excludes six-month extension option exercisable at the REIT's option. With the six-month extension option, the weighted average debt maturity of the REIT's debt portfolio is 2.6 years.

⁶ Includes the REIT's share of debt held in its joint ventures and is presented net of interest rate hedges.

On January 19, 2024, the REIT exercised the first six-month extension option on its \$300.0 million revolver, extending maturity to September 21, 2024.

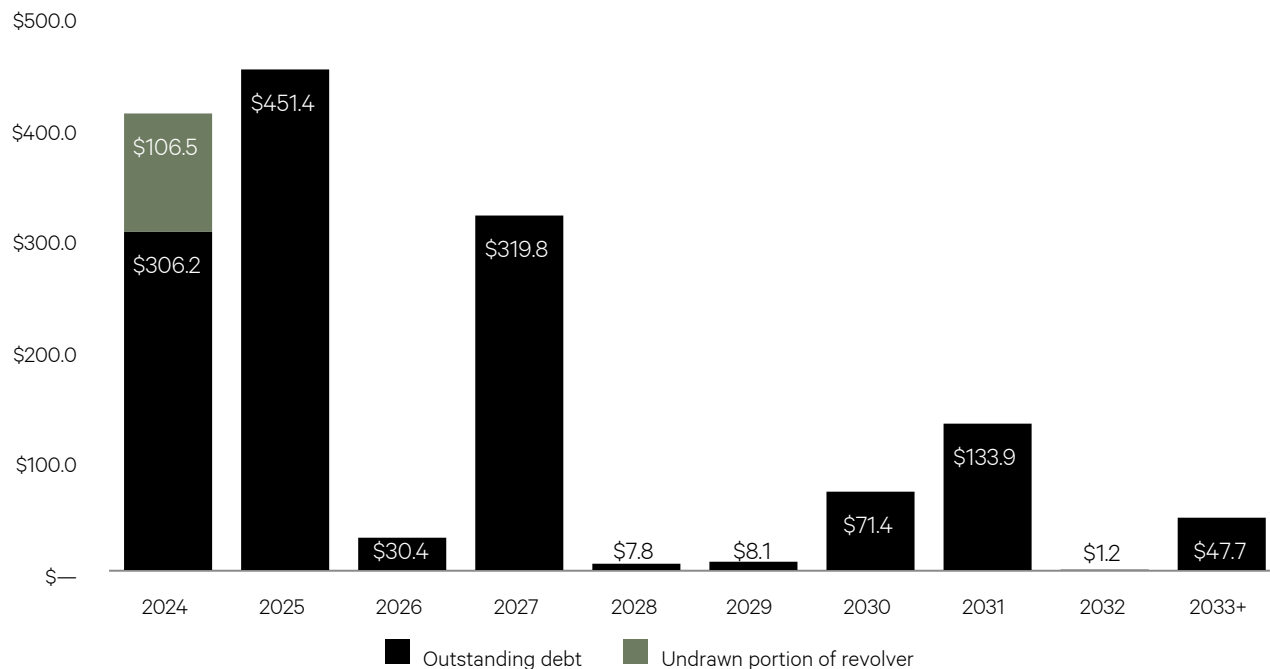
On February 1, 2023, the REIT entered into a \$56.0 million mortgage, with a 10-year term bearing interest at 5.50%. The net proceeds from the mortgage were used to paydown the REIT's term loan 2.

The carrying amount of debt was \$1.2 billion at March 31, 2024, which represents an increase of \$3.3 million compared to December 31, 2023. The increase is primarily attributable to draws on the revolver, partially offset by principal repayments on mortgages.

The weighted-average term of the REIT's debt is 2.8 years at a weighted average cost of 4.45%, including the REIT's proportionate ownership in its joint venture investments.

Debt Maturity Profile ¹²

(in \$US millions)



¹ Includes the REIT's share of debt held in its joint ventures.

² Debt maturity profile excludes a six-month extension option exercisable at the REIT's option for the revolver. With the six-month extension option, the weighted average debt maturity of the REIT's debt portfolio is 2.9 years on a proportionate basis.

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:

	March 31, 2024	December 31, 2023
GBV	\$ 2,241,191	\$ 2,235,798
Debt	1,165,036	1,161,756
Leverage ratio	52.0%	52.0%

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 and term loans are subject to financial and other covenants. The following are the primary financial covenants, with all terms defined by the lending agreement:

	Threshold	March 31, 2024	December 31, 2023
Maximum leverage ratio: consolidated total indebtedness shall not exceed 65% of gross asset value	< 65%	54.3%	54.4%
Minimum fixed charge coverage ratio: adjusted EBITDA to consolidated fixed charges shall not be less than 1.50x ¹	> 1.50x	2.22x	2.22x

¹ Adjusted EBITDA is defined as earnings before interest, tax, depreciation, and amortization, as defined by the Second Amended and Restated Credit Agreement for the revolver and term loan, as well as the Credit Agreement for term loan 3.

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 March 31,		
	2024	2023	Variance
Net income (loss)	\$ 13,612	\$ (14,831)	\$ 28,443
Interest and finance costs	14,017	13,237	780
Change in fair value of financial instruments	(2,186)	—	(2,186)
Change in fair value of properties	(13,682)	17,880	(31,562)
Deferred income tax expense (recovery)	1,591	(4,624)	6,215
Current income tax expense	325	724	(399)
Unit income	(612)	(902)	290
Adjustments for joint venture investment	2,531	4,078	(1,547)
Straight-line rent revenue	(114)	(118)	4
IFRIC 21 property tax adjustment	21,145	20,547	598
Adjusted EBITDA	\$ 36,627	\$ 35,991	\$ 636

	Three months ended March 31,		
	2024	2023	Variance
Rental revenue	\$ 51,915	\$ 50,789	\$ 1,126
Property operating expenses	(37,600)	(36,917)	(683)
General and administrative expenses	(3,945)	(3,847)	(98)
Adjustments for joint venture investment	5,226	5,537	(311)
Straight-line rent revenue	(114)	(118)	4
IFRIC 21 property tax adjustment	21,145	20,547	598
Adjusted EBITDA	\$ 36,627	\$ 35,991	\$ 636

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 March 31,	
	2024	2023
NOI	\$ 40,572	\$ 39,838
General and administrative expenses	(3,945)	(3,847)
Adjusted EBITDA	\$ 36,627	\$ 35,991
Cash interest paid	(13,585)	(12,637)
Interest coverage ratio	2.70x	2.85x

The interest coverage ratio decreased from 2.85x to 2.70x for the three month period ended March 31, 2024 from the comparative period. The decrease is due to increases in cash interest paid and general and administrative expenses, partially offset by increases to NOI.

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 March 31, 2024 is 52.0% (December 31, 2023 – 52.0%).

Contractual commitments

The REIT has the following contractual commitments:

	Total contractual cash flow	Remaining in 2024	2025-2026	2027-2028	Thereafter
Accounts payable and accrued liabilities ¹	\$ 46,531	\$ 46,531	\$ —	\$ —	\$ —
Distributions payable	4,323	4,323	—	—	—
Revolver ^{2,3}	193,460	193,460	—	—	—
Revolver interest payable ^{2,3,4}	6,532	6,532	—	—	—
Term loan ^{2,3}	225,000	—	225,000	—	—
Term loan interest payable ^{2,3}	14,141	11,196	2,945	—	—
Term loan 3 ^{3,5}	275,000	—	—	275,000	—
Term loan 3 interest payable ^{3,5}	51,020	13,684	29,856	7,480	—
Mortgages ¹	684,246	113,038	256,380	52,581	262,247
Mortgage interest payable ¹	106,215	21,537	34,910	22,828	26,940
Exchangeable units of subsidiaries	7,661	7,661	—	—	—
Total⁵	\$ 1,614,129	\$ 417,962	\$ 549,091	\$ 357,889	\$ 289,187

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

² Revolver and term loan interest payable is calculated on \$193.5 million and \$225.0 million (balance outstanding) and using an estimated "all in" interest rate of 6.83% and 6.60%, respectively, under the "Remaining in 2024" column. The term loan long-term average interest rate is based on the one-month SOFR forward curve plus the specified margin for the SOFR rate option under the term loan resulting in "all-in" interest rate of 6.05%. The total revolver and term loan interest payable is calculated until maturity of the initial term.

³ Excludes the impact of the REIT's \$625.0 million pay-fixed, receive-float interest rate swaps that hedge a portion of the cash flow risk associated with one-month SOFR based interest payments.

⁴ 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.

⁵ Term loan 3 interest payable is calculated on its balance outstanding at quarter end, using an estimated "all in" interest rate of 6.60%, under the "Remaining in 2024" column. The long-term average interest rate is based on the one-month SOFR curve plus the specified margin for the SOFR rate option under the term loan 3 resulting in an "all-in" interest rate of 5.36%. The total term loan 3 interest payable is calculated until maturity.

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 income as unit income (expense).

Total REIT units outstanding during the period and their respective class U equivalent amounts if converted is as follows, in thousands of units:

	March 31, 2024		March 31, 2023	
	REIT units	Value	REIT units	Value
Beginning of the period	59,130	\$ 584,769	60,370	\$ 596,701
Repurchased	—	—	(243)	(2,392)
End of the period	59,130	\$ 584,769	60,127	\$ 594,309

Total exchangeable units of subsidiaries during the period and the change in the carrying amount is as follows:

	March 31, 2024		December 31, 2023	
	Exchangeable Units	Value	Exchangeable Units	Value
Beginning of the period	907	\$ 8,269	907	\$ 10,082
Change in fair value	—	(608)	—	(1,813)
End of the period	907	\$ 7,661	907	\$ 8,269

ATM program

On March 30, 2022, the REIT established an at the market equity program ("ATM program") that allows the REIT to issue, at its discretion, up to \$150.0 million of class U units of the REIT to the public from time to time through an agent. Distributions pursuant to the ATM program will be made in accordance with the terms of an equity distribution agreement dated March 30, 2022 entered into among the REIT and the agent. The ATM program was effective until April 28, 2024 and was not renewed thereafter. For the three month period ended March 31, 2024, no units were issued under the ATM program (Three months ended March 31, 2023 – nil).

Normal course issuer bid

On February 1, 2024, the REIT renewed its normal course issuer bid ("NCIB"), which is effective until January 31, 2025. For the three month period ended March 31, 2024, no class U units have been purchased and subsequently canceled under the NCIB (for the three month period ended March 31, 2023 - 0.2 million class U units were purchased and subsequently canceled for a total cost, including transaction costs, of \$2.4 million).

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	March 31, 2024	December 31, 2023
Accounts payable and accrued liabilities	\$ 16,884	\$ 16,714
Prepaid rent	6,250	7,019
Tenant improvements payable	7,767	7,793
Other payables	10,451	11,691
Total	\$ 41,352	\$ 43,217

Included in accounts payable and accrued liabilities are operating expenses, property taxes, and capital and leasing expenses. Other payables include security deposits, trustee fees, accrued interest payable, branch profit tax payable and other non-operating items.

ACCOUNTS RECEIVABLE

The accounts receivable balance is comprised of the following:

	March 31, 2024	December 31, 2023
Rent receivable	\$ 7,621	\$ 7,501
Allowance	(1,295)	(1,171)
Accrued recovery income	8,312	8,949
Other receivables	7,208	6,893
Total	\$ 21,846	\$ 22,172

Rent receivable consists of base rent and operating expense recoveries. Management has provided for \$1.3 million (December 31, 2023 – \$1.2 million) as an allowance for doubtful accounts and anticipates that the unprovided balance is collectible.

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:

	March 31, 2024	December 31, 2023
Current to 30 days	\$ 2,730	\$ 3,332
31 to 60 days	773	446
61 to 90 days	324	125
Greater than 90 days	2,499	2,427
Total	\$ 6,326	\$ 6,330

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

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

Portfolio	Anchors	State	March 31, 2024		December 31, 2023	
			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%	10	90% – 95%
Other Grocery Portfolio	Stop & Shop, Price Chopper, Acme Markets and Strack & Van Til	New York and Indiana	4	85%	4	85%
Kroger Portfolio	Kroger	Michigan	1	50%	1	50%

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

	March 31, 2024			December 31, 2023		
	Tom Thumb Portfolio	Other Grocery Portfolio	Other	Total	Total	Total
Beginning of the period	\$ 58,388	\$ 45,193	\$ 3,520	\$ 107,101	\$ 109,456	\$ 109,456
Distributions	(1,310)	—	—	(1,310)	(6,063)	(6,063)
Share of (loss) income in joint venture investments	(1,028)	3,656	67	2,695	3,708	3,708
End of the period	\$ 56,050	\$ 48,849	\$ 3,587	\$ 108,486	\$ 107,101	\$ 107,101

NON-CONTROLLING INTEREST

The REIT has an established partnership with the North America Essential Fund ("NA Essential Fund"), a vehicle with management services provided by the Manager. The NA Essential Fund made an initial cash investment of \$180 million indirectly into the REIT's assets through the purchase of an 18.37% partnership interest in two of the REIT's subsidiaries, LP1 and SGIUSLP. The non-controlling interest in SGIUSLP includes the proportionate interest in the Tops Portfolio, a grocery anchored portfolio comprising 11 properties and 1.3 million square feet in major metro markets in New York, Ohio, and Georgia.

Primary Investment	Number of properties	March 31, 2024	December 31, 2023
LP1, SGIUSLP	117	18.4 %	18.4 %
Tops Portfolio	11	10.0 %	10.0 %

SUBSEQUENT EVENTS

On April 15, 2024, 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

ACCOUNTING POLICIES

A summary of material accounting policy information is included in note 3 of the audited consolidated financial statements of the REIT as at and for the year ended December 31, 2023. The REIT's unaudited interim condensed consolidated financial statements follow the same accounting policies and methods of computation as used in the REIT's most recent annual consolidated financial statements, except as described below.

USE OF ESTIMATES

The preparation of the REIT's consolidated financial statements in accordance 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, direct comparison approach or through a combination of methods. All methods are generally accepted appraisal methodologies. 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 March 31, 2024 is included on page 27 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 primarily based upon the overall income capitalization rate method.

NEW ACCOUNTING POLICIES

Application of new and revised IFRS

Amendments to IAS 1

In January 2020 and October 2022, the IASB issued amendments to IAS 1, *Classification of Liabilities as Current or Non-Current*, to specify the requirements for the classification of liabilities as either current or non-current. The amendments clarified the following:

- i. Right to defer settlement – that if an entity's right to defer settlement is subject to compliance with future covenants, the entity has a right to defer settlement of the liability regardless of compliance with such covenants at the end of the reporting period.

- ii. Expected deferrals – that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer the settlement of the liability for at least twelve months following the reporting period even if settlement occurs prior to the authorization of the issuance of the financial statements.
- iii. Settlement by way of own instruments – that settlement by way of an entity’s own equity instruments is considered settlement for classification purposes with the exception of a conversion option that itself is classified as an equity instrument.

The amendment also provided for additional disclosures surrounding non-current liabilities for which a right to defer settlement is subject to compliance with future covenants within twelve months.

The REIT adopted the amendments, on a retrospective basis, effective for the annual period beginning on January 1, 2024. As a result of the amendments, the REIT reclassified the following liabilities from non-current to current in the consolidated statements of financial position:

	March 31, 2024	December 31, 2023
Exchangeable units of subsidiaries	\$ 7,661	\$ 8,269
Other liabilities	861	736
Total	\$ 8,522	\$ 9,005

The other liabilities transferred to current were reclassified to the accounts payable and accrued liabilities line item in the condensed consolidated interim statements of financial position. There were no further material changes as a result of the adoption of the amendments.

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 three month period ended March 31, 2024.

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 March 31, 2024.

No changes were made in the REIT’s design of ICFR during the three month period ended March 31, 2024 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 March 31, 2024, the REIT owns a portfolio of 117 grocery-anchored properties. The portfolio consists of 15.3 million square feet of GLA with an occupancy rate of 94.4%.

Property	Location	Associated MSA	Area (SF)	% of Total	Occ. %	Anchor
98 Palms	Destin	Crestview-Fort Walton Beach-Destin	84,682		100.0%	Winn-Dixie
Bellview Plaza	Pensacola	Pensacola-Ferry Pass-Brent	82,910		100.0%	Publix
Cordova Commons	Pensacola	Pensacola-Ferry Pass-Brent	164,343		100.0%	The Fresh Market
Errol Plaza	Orlando	Orlando-Kissimmee-Sanford	76,582		100.0%	Winn-Dixie
Eustis Village	Eustis	Orlando-Kissimmee-Sanford	156,927		100.0%	Publix
Good Homes Plaza	Ocoee	Orlando-Kissimmee-Sanford	165,741		95.4%	Publix
Oak Hill Village	Jacksonville	Jacksonville	78,492		92.5%	Publix
Salerno Village Square	Stuart	Martin/St. Lucie	77,677		94.7%	Winn-Dixie
Uptown Station	Fort Walton Beach	Pensacola-Ferry Pass-Brent	272,616		89.3%	Winn-Dixie
Wedgewood Commons	Stuart	Martin/St. Lucie	168,922		95.6%	Publix
Mission Hills Shopping Center	Naples	Naples-Marco Island	85,078		100.0%	Winn-Dixie
Barclay Square	Largo	Tampa-St. Petersburg-Clearwater	89,149		91.1%	Walmart
River Run	Miramar	Miami-Fort Lauderdale-West Palm Beach	93,643		97.6%	Publix
Sheridan Square	Dania Beach	Miami-Fort Lauderdale-West Palm Beach	66,913		93.0%	Walmart
Flamingo Falls	Pembroke Pines	Miami-Fort Lauderdale-West Palm Beach	108,385		93.9%	The Fresh Market
Northlake Commons (FL)	Palm Beach	Miami-Fort Lauderdale-West Palm Beach	123,756		95.3%	Ross Dress for Less
Countryside Shoppes	Naples	Naples-Marco Island	73,986		95.5%	Aldi
Creekwood Crossing	Bradenton	North Port-Sarasota-Bradenton	235,459		98.8%	Beall's
Skyview Plaza	Orlando	Orlando	265,285		93.2%	Presidente Supermarket
Total Florida			2,470,546	16.1%		
11 Galleria	Greenville	Greenville-Anderson	55,608		83.3%	The Fresh Market
Battleground Village	Greensboro	Greensboro-High Point	73,207		90.7%	Aldi
Flowers Plantation	Clayton	Raleigh-Cary	53,500		100.0%	Food Lion
Fuquay Crossing	Fuquay-Varnia	Raleigh-Cary	96,638		100.0%	Harris Teeter
Independence Square	Charlotte	Charlotte-Concord-Gastonia	190,361		98.9%	Super Global Mart
Mooresville Consumer Square	Mooresville	Charlotte-Concord-Gastonia	272,860		93.9%	Walmart
Mooresville Town Square	Mooresville	Charlotte-Concord-Gastonia	98,262		99.0%	Lowe's Foods
Harper Hills Commons	Winston-Salem	Winston-Salem	96,914		93.2%	Harris Teeter
Renaissance Square	Davidson	Charlotte-Concord-Gastonia	80,813		94.1%	Harris Teeter
Alexander Pointe	Salisbury	Charlotte-Concord-Gastonia	57,710		100.0%	Harris Teeter
North Summit Square	Winston-Salem	Winston-Salem	224,530		96.0%	Sam's Club
Bells Fork Square	Greenville	Greenville-Anderson	71,666		95.7%	Harris Teeter
Tanglewood Commons	Clemmons	Winston-Salem	78,520		92.9%	Harris Teeter
Westin Centre	Fayetteville	Fayetteville	66,890		100.0%	Food Lion
Fayetteville Pavilion	Fayetteville	Fayetteville	274,751		86.4%	Food Lion
Clayton Corners	Clayton	Raleigh	125,708		98.0%	Lowe's Foods
Total North Carolina			1,917,938	12.5%		
Beach Shopping Center	Peekskill	New York-Newark	204,532		87.6%	Stop & Shop
Mid Valley Mall	Newburgh	New York-Newark	216,094		94.2%	Price Chopper
Panorama Plaza	Penfield	Rochester	250,655		70.3%	Tops Markets
Crossroads Centre-Orchard Park	Orchard Park	Buffalo-Niagara Falls	150,990		96.7%	Tops Markets
Cheektowaga	Cheektowaga	Buffalo-Niagara Falls	136,058		95.6%	Tops Markets
Amherst	Amherst	Buffalo-Niagara Falls	135,184		88.4%	Tops Markets
Ontario	Ontario	Rochester	69,343		100.0%	Tops Markets
Leroy	LeRoy	Rochester	56,472		97.5%	Tops Markets
Jamestown	Jamestown	Jamestown-Dunkirk-Fredonia	88,201		94.2%	Tops Markets
Warsaw	Warsaw	Buffalo-Niagara Falls	66,693		91.9%	Tops Markets
Culver Ridge Plaza	Irondequoit	Rochester	202,875		61.9%	Vacant
Mahopac Village Centre	Mahopac	New York-Newark	126,378		96.4%	Acme Markets
Total New York			1,703,475	11.1%		

Property	Location	Associated MSA	Area (SF)	% of Total	Occ. %	Anchor
Abbott's Village	Alpharetta	Atlanta-Sandy Springs-Alpharetta	109,586		84.7%	Publix
Birmingham Shoppes	Milton	Atlanta-Sandy Springs-Alpharetta	82,905		95.4%	Publix
Duluth Station	Duluth	Atlanta-Sandy Springs-Alpharetta	94,966		98.6%	Publix
Locust Grove	Locust Grove	Atlanta-Sandy Springs-Alpharetta	89,567		95.3%	Publix
Merchants Crossing	Newnan	Atlanta-Sandy Springs-Alpharetta	174,059		97.5%	Kroger
Robson Crossing	Flowery Branch	Atlanta-Sandy Springs-Alpharetta	103,840		98.8%	Publix
Midway Plaza	Loganville	Atlanta-Sandy Springs-Alpharetta	82,076		95.4%	Kroger
Parkway Station	Warner Robins	Atlanta-Sandy Springs-Alpharetta	94,317		96.9%	Kroger
Riverstone Plaza	Canton	Atlanta	307,661		97.5%	Publix
Total Georgia			1,138,977	7.4%		
Lake Raystown Plaza	Huntingdon	Harrisburg	140,159		100.0%	Giant Food Store
Northland Center	State College	State College	111,718		97.3%	Giant Food Store
Norwin Town Square	North Huntingdon	Pittsburgh	141,466		95.5%	Shop n' Save
Shops at Cedar Point	Allentown	Allentown-Bethlehem-Easton	130,583		93.6%	Weis Markets
Summit Ridge	Mount Pleasant	Pittsburgh	240,884		93.3%	Walmart
West Valley Marketplace	Allentown	Allentown-Bethlehem-Easton	259,207		96.9%	Walmart
Total Pennsylvania			1,024,017	6.7%		
Barefoot Commons	North Myrtle Beach	Myrtle Beach-Conway-North Myrtle Beach	90,702		100.0%	Food Lion
Dill Creek Commons	Greer	Greenville-Anderson	72,526		100.0%	Food Lion
Dorman Centre	Spartanburg	Greenville-Anderson	388,502		98.5%	Walmart
Little River Pavilion	North Myrtle Beach	Myrtle Beach-Conway-North Myrtle Beach	63,823		97.8%	Lowe's Foods
North Augusta Plaza	North Augusta	Augusta-Richmond County	229,730		98.7%	Publix
Total South Carolina			845,283	5.5%		
14th Street Market	Plano	Dallas-Ft Worth-Arlington	75,458		98.5%	Tom Thumb
Flower Mound Crossing	Flower Mound	Dallas-Ft Worth-Arlington	80,221		100.0%	Club 4 Fitness
Cross Timbers Court	Flower Mound	Dallas-Ft Worth-Arlington	77,111		92.6%	Tom Thumb
Park West Plaza	Grapevine	Dallas-Ft Worth-Arlington	78,828		88.8%	Tom Thumb
The Highlands	Flower Mound	Dallas-Ft Worth-Arlington	86,399		100.0%	Tom Thumb
Heritage Heights	Grapevine	Dallas-Ft Worth-Arlington	87,895		100.0%	Tom Thumb
Hunter's Glen Crossing	Plano	Dallas-Ft Worth-Arlington	92,468		98.8%	Tom Thumb
Alta Mesa Plaza	Fort Worth	Dallas-Ft Worth-Arlington	167,960		96.7%	Kroger
Josey Oaks Crossing	Carrollton	Dallas-Ft Worth-Arlington	85,698		97.9%	Tom Thumb
Total Texas			832,038	5.4%		
East Little Creek	Norfolk	Virginia Beach-Norfolk-Newport News	66,120		—%	Vacant
Bermuda Crossroads	Chester	Richmond	122,566		88.9%	Food Lion
Gainsborough Square	Chesapeake	Virginia Beach-Norfolk-Newport News	88,862		98.2%	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		94.8%	Kroger
Apple Blossom Corners	Winchester	Winchester-Frederick	242,703		99.5%	Martin's
Total Virginia			719,888	4.7%		
East Brainerd Mall	Brainerd	Minneapolis-St Paul	193,689		95.5%	Cub Foods
Mapleridge Center	Maplewood	Minneapolis-St Paul	118,828		88.3%	Hy-Vee
North Branch Marketplace	North Branch	Minneapolis-St Paul	72,895		98.2%	County Market
Phalen Retail Center	St Paul	Minneapolis-St Paul	73,678		97.8%	Cub Foods
Plymouth Station	Plymouth	Minneapolis-St Paul	114,069		95.0%	Hy-Vee
Total Minnesota			573,159	3.7%		
Hocking Valley Mall	Lancaster	Columbus-Marion-Zanesville	181,393		96.2%	Kroger
Chillicothe Place	Chillicothe	Columbus-Marion-Zanesville	213,083		100.0%	Kroger
Mulberry Square	Milford	Cincinnati	162,454		97.8%	Kroger
Total Ohio			556,930	3.6%		

Property	Location	Associated MSA	Area (SF)	% of Total	Occ. %	Anchor
Highland Square	Crossville	Nashville-Davidson-Murfreesboro-Franklin	179,732		97.3%	Kroger
North Hixson Marketplace	Hixson	Chattanooga	64,254		100.0%	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-Davidson-Murfreesboro-Franklin	63,904		100.0%	Kroger
Total Tennessee			526,641	3.4%		
Cambridge Crossings	Troy	Detroit-Warren-Dearborn	238,963		96.8%	Walmart
Canton Shopping Center	Canton	Detroit-Warren-Dearborn	72,631		99.0%	ALDI
City Center Plaza	Westland	Detroit-Warren-Dearborn	97,670		95.6%	Kroger
Windmill Plaza	Sterling Heights	Detroit-Warren-Dearborn	101,611		96.3%	Kroger
Total Michigan			510,875	3.3%		
Glidden Crossing	DeKalb	Chicago-Naperville-Elgin	98,683		90.9%	Schnucks
North Lake Commons	Lake Zurich	Chicago-Naperville-Elgin	121,099		89.8%	Jewel-Osco
Prairie Point	Aurora	Chicago-Naperville-Elgin	91,535		100.0%	Mariano's
Plaza St. Clair	Fairview Heights	St. Louis	97,685		87.2%	Schnucks
Total Illinois			409,002	2.7%		
Charles Town Plaza	Charles Town	Washington-Baltimore	208,888		99.2%	Walmart
Eastpointe Shopping Center	Clarksburg	Morgantown	181,016		99.8%	Kroger
Total West Virginia			389,904	2.5%		
Riverdale Shops	West Springfield	Springfield	273,532		98.0%	Stop & Shop
Total Massachusetts			273,532	1.8%		
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	1.7%		
Crossroads Shopping Center	Schererville	Chicago-Naperville-Elgin	129,272		96.3%	Strack & Van Til
Glenlake Plaza	Indianapolis	Indianapolis-Carmel-Anderson	104,679		91.9%	Kroger
Total Indiana			233,951	1.5%		
Pine Creek Shopping Center	Grass Valley	Sacramento-Roseville	194,872		95.7%	Raley's
Total California			194,872	1.3%		
Centerplace of Greeley	Greeley	Greeley	151,548		99.0%	Safeway
Total Colorado			151,548	1.0%		
Derry Meadows Shoppes	Derry	Manchester-Nashua	151,945		93.2%	Hannaford Brothers
Total New Hampshire			151,945	1.0%		
Taylorville Town Center	Taylorville	Salt Lake City	127,507		86.9%	Macey's Inc
Total Utah			127,507	0.8%		
Forest Plaza	Fond du Lac	Fond du Lac	123,028		100.0%	Pick 'n Save
Total Wisconsin			123,028	0.8%		
Stone House Square	Hagerstown	Washington-Baltimore	112,314		89.9%	Weis Markets
Total Maryland			112,314	0.7%		
Stonefield Square	Louisville	Louisville	80,866		95.2%	Crunch Fitness
Total Kentucky			80,866	0.5%		
Total / WA			15,329,814	100.0%	94.4%	

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 15.3 million square feet of GLA and consists of 117 critical real estate properties located in the U.S.

Trustees

Andrea Stephen, Chairman ^{1 2 3}
Corporate Director

Colum Bastable, FCA (IRL) ^{1 2 3}
Corporate Director

Christopher Chee ³
Corporate Director

Patrick Flatley ³
Corporate Director

Marc Rouleau ^{1 2}
Corporate Director

Mary Vitug ^{1 2}
Corporate Director

Blair Welch ³
Partner and Co-founder,
Slate Asset Management

Brady Welch
Partner and Co-founder,
Slate Asset Management

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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

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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.

¹ Compensation Governance and Nomination Committee

² Audit Committee

³ Investment Committee



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