CORPORATE PARTICIPANTS

Blair Welch
Chief Executive Officer

Joe Pleckaitis
Chief Financial Officer

Allen Gordon
Senior Vice President

Senna Gujral
Analyst, Finance

CONFERENCE CALL PARTICIPANTS

Sam Damiani
TD Cowen

PRESENTATION

Operator

Good morning ladies and gentlemen and welcome to the Slate Grocery REIT's second quarter 2026 financial results conference call. At this time, all lines are in listen-only mode. Following the presentation, we will conduct a question-and-answer session.

If at any time during this call you require immediate assistance, please press star zero for the operator. This call is being recorded on Friday, August 7, 2026. And I would now like to turn the conference over to Senna Gujral.

Thank you, please go ahead.

Senna Gujral, Analyst, Finance

Thank you operator, and good morning, everyone. Welcome to the Q2 2026 conference call for Slate Grocery REIT. I am joined this morning by Blair Welch, Chief Executive Officer, Joe Pleckaitis, Chief Financial Officer, and Allen Gordon, Senior Vice President.

Before getting started, I would like to remind participants that our discussion today may contain forward-looking statements and therefore we ask you to review the disclaimers regarding forward-looking statements as well as non-IFRS measures, both of which can be found in management discussion and analysis. You can visit Slate Grocery REIT's website to access all of the REIT's financial disclosure, including our Q2 2026 investor update, which is available now. I will now hand over the call to Blair Welch for opening remarks.

Blair Welch, Chief Executive Officer

Thank you Senna, and hello everyone. We are pleased to report Slate Grocery REIT's second quarter financial and operating results. The REIT completed over 569,000 square feet of total leasing throughout the quarter, achieving strong rent growth on new and renewed leases.

Renewal spreads were completed at 16.7% above expiring rents, and new deals were completed at 41% above comparable average in-place rent. Adjusting for completed redevelopments, same property net operating income increased by $3.8 million or 2.3% on a trailing 12-month basis. Portfolio occupancy was 93.6%, and our portfolio's average in-place rent of $13.10 per square foot remains well below the market average.

The REIT has a weighted average interest rate of 5% with over 90% of its debt having fixed interest rate. This provides a stable outlook for the REIT's near-term financing costs. The REIT's weighted average capitalization rate remains well above the REIT's weighted average interest rate for outstanding debt, allowing the REIT to maintain positive leverage.

We continue to believe in the resilience of grocery-anchored real estate. Fundamentals in the grocery sector remain favorable, with elevated construction costs and tight lending conditions continuing to limit new retail development and overall retail availability. This dynamic continues to give landlords meaningful pricing power, supporting tenant retention and driving continued rent increases as leases expire.

On behalf of the Slate Grocery REIT team and the Board, I would like to thank the investor community for their continued confidence and support. I will now hand it over for questions.

Operator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Should you have a question, please press star followed by the 1 on your telephone keypad.

You will hear a prompt that your hand has been raised. And should you wish to cancel your request, please press star followed by the 2. If you are using a speakerphone, please lift your handset before pressing any keys.

One moment, please, for your first question. Thank you. And your first question comes from the line of Sam Damiani from TD Cowen.

Please go ahead.

Sam Damiani, TD Cowen

Thank you. Good morning, everyone. Was there an update on the strategic review at this point? I think it has been a couple of months now.

Blair Welch, Chief Executive Officer

There is no update at this time. And when there is, we will come out quickly. The special committee is still continuing their process.

Sam Damiani, TD Cowen

Okay. And just to be clear, it looked like some costs were incurred, but added back to FFO. Were there any net costs that actually flowed through to FFO this quarter related to the review?

Joe Pleckaitis, Chief Financial Officer

No, that would have all been flushed out, so nothing that went through FFO.

Sam Damiani, TD Cowen

Okay. Thanks. And just on the vacancy, a couple of tenants vacated in some smaller market properties. Can you talk about who the prior tenants were and the prospects to backfill those two vacancies at this point?

Allen Gordon, Senior Vice President

Yes, we had roughly 260,000 square feet of vacates this quarter. Most of those vacates we were aware of and have already begun leasing up.

We have already leased four of 10 of the largest vacates that we have. And we already have prospects for several of those and letters of intent ongoing for some larger notable vacates as well.

Sam Damiani, TD Cowen

Okay. And just on dispositions, any continued focus on that? I didn't see any new ones announced this quarter.

Joe Pleckaitis, Chief Financial Officer

Yes. There is one property that is held for sale right now at the end of Q2, which is Heritage Heights. We are looking to close that in the next couple of weeks.

So, looking to report that in Q3, but just going through normal due diligence and looking to close that shortly.

Sam Damiani, TD Cowen

Okay. That's it for me. Thank you and I'll turn it back.

Blair Welch, Chief Executive Officer

Thanks, Sam.

Operator

Thank you. Once again, should you have a question, please press star followed by the one on your telephone keypad.

Once again, that is star and one to ask a question. There are no further questions at this time.

I will now hand the call back to Senna Gujral for any closing remarks.

Senna Gujral, Analyst, Finance

Thank you, everyone, for joining the Q2 2026 conference call for Slate Grocery REIT. Have a great day.

Operator

This concludes today's call. Thank you for participating. You may all disconnect.
