



**CHOICE PROPERTIES REAL ESTATE INVESTMENT TRUST REPORTS RESULTS
FOR THE FIRST QUARTER ENDED MARCH 31, 2020**

Toronto, Ontario April 22, 2020 /CNW/ - Choice Properties Real Estate Investment Trust (“Choice Properties” or the “Trust”) (TSX: CHP.UN) today announced its consolidated financial results for the first quarter ended March 31, 2020. The 2020 First Quarter Report to Unitholders is available in the Investor Relations section of the Trust’s website at www.choicereit.ca, and has been filed on SEDAR at www.sedar.com.

“We are pleased with our first quarter results, which reflect our stable portfolio of income producing assets and lower leverage as compared to the first quarter of 2019,” noted Rael Diamond, President and Chief Executive Officer of the Trust. Mr. Diamond added, “Beginning in mid-March, the COVID-19 pandemic began to affect many of our tenants and the communities in which they live and work across the country. The COVID-19 pandemic did not have a material impact on our financial results for the quarter, but our team was busy working on a wide range of measures to help ensure the health and well-being of our employees and tenants.”

Summary of GAAP Basis Financial Results:

(\$ thousands except where otherwise indicated) (unaudited)	Three Months		
	March 31, 2020	March 31, 2019	Change
Net income (loss)	\$ 332,742	\$ (902,132)	\$ 1,234,874
Net income (loss) per unit diluted	0.475	(1.346)	1.821
Rental revenue	324,911	322,973	1,938
Fair value gain (loss) on Exchangeable Units ⁽¹⁾	386,062	(990,504)	1,376,566
Fair value losses excluding Exchangeable Units ⁽²⁾	(135,665)	(10,417)	(125,248)
Cash flows from operating activities	104,147	94,171	9,976
Weighted average Units outstanding - diluted	700,625,695	670,451,259	30,174,436

1. Exchangeable Units are recorded at their fair value based on the market trading price of the Trust Units, which results in a negative impact to the financial results when the Trust Unit price rises and a positive impact when the Trust Unit price declines.
2. Fair value gains (losses) excluding Exchangeable Units includes adjustments to fair value of investment properties and unit-based compensation.

Quarterly Results

Net income for the first quarter of 2020 was \$332.7 million, compared to a loss of \$902.1 million in the first quarter of 2019. The increase of \$1.2 billion was mainly due to a favourable change of \$1.4 billion in the adjustment to fair value on Exchangeable Units, partially offset by an unfavourable change in fair value of investment properties as a result of an increase in the risk premium associated with certain retail, industrial and office properties.

Summary of Proportionate Share⁽¹⁾ Financial Results:

(\$ thousands except where otherwise indicated) (unaudited)	Three Months		
	March 31, 2020	March 31, 2019	Change
Rental revenue ⁽¹⁾	\$ 340,417	\$ 339,600	\$ 817
Net Operating Income ("NOI") ⁽¹⁾ , cash basis	231,531	232,609	(1,078)
Same-Asset NOI, cash basis ⁽¹⁾	211,715	208,059	3,656
Adjustment to fair value of investment properties ⁽¹⁾	(148,206)	5,478	(153,684)
Occupancy (% of GLA)	97.5%	97.4%	0.1%
Funds from operations ("FFO") ⁽²⁾	170,670	169,260	1,410
FFO ⁽²⁾ per unit diluted	0.244	0.252	(0.008)
Adjusted funds from operations ("AFFO") ⁽²⁾	151,773	154,673	(2,900)
AFFO ⁽²⁾ per unit diluted	0.217	0.231	(0.014)
AFFO ⁽²⁾ payout ratio - diluted	85.4%	80.0%	5.4%
Cash distributions declared	129,561	123,745	5,816
Weighted average number of Units outstanding - diluted	700,625,695	670,451,259	30,174,436

1. A non-GAAP measurement which includes amounts from directly held properties and equity accounted joint ventures.

2. A non-GAAP measurement.

Quarterly Results

For the first quarter of 2020, Funds from Operations (a non-GAAP measure) was \$170.7 million or \$0.244 per unit diluted, compared to \$169.3 million or \$0.252 per unit diluted in the first quarter of 2019. FFO increased primarily due to lower borrowing costs as a result of a reduction in indebtedness in the second quarter of 2019, partially offset by a reduction in NOI attributable to the disposition of a 30-property portfolio in the third quarter of 2019. On a per unit basis, the decline was due to a higher weighted average number of units outstanding. This increase was a result of an equity offering in May 2019, with the proceeds used to repay debt.

COVID-19 Update

As one of Canada's largest landlords, Choice Properties has an important role to play in helping Canadians and their businesses during these unprecedented and challenging times. The Trust has agreed to assist qualifying small businesses and independent tenants with a deferral of rent for 60 days, effective April 1, 2020. The amounts deferred for qualifying tenants are due to be repaid over a 12-month period and as of April 22, 2020, were approximately \$5 million of monthly contractual rent. The Trust has also been in discussions with those of its larger tenants who have been adversely affected by COVID-19 and will consider rent deferral requests on a case by case basis.

Most of the Trust's leases require that rent be paid on the first day of each month. As of April 22, 2020, the Trust had received 86% of the contractual rents for April, as set out in the table below:

	% Collected
Retail	84%
Industrial	97%
Office	89% ⁽¹⁾
Total	86%

⁽¹⁾ Uncollected portion primarily relates to retail tenants in office buildings

From a liquidity perspective, using the most recent information available, the Trust is well-positioned to weather the current market volatility and any negative impacts on its business, however, the Trust will continue to evaluate and monitor this as the situation prolongs. The Trust has approximately \$1.3 billion available under its committed credit facility and has no significant debt maturities for the remainder of the year.

The Trust expects its development initiatives will be impacted by delays due to COVID-19. These delays may impact the completion dates of ongoing development projects, but the Trust remains confident that over time, its development initiatives will add high-quality real estate to the portfolio at a reasonable cost.

In light of the uncertainty surrounding the duration and severity of the pandemic, it is not possible to reliably estimate the length and severity of COVID-19 related impacts on the financial results and operations of the Trust. As announced on April 6, 2020, the Trust has withdrawn its 2020 Outlook that is contained in its Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2019. For more information on the risks presented to the Trust by the COVID-19 pandemic, please see Section 11, "Enterprise Risks and Risk Management" of the Trust's MD&A for the three months ended March 31, 2020.

Non-GAAP Financial Measures and Additional Financial Information

In addition to using performance measures determined in accordance with International Financial Reporting Standards ("IFRS" or "GAAP"), Choice Properties also measures its performance using certain non-GAAP measures, and provides these measures in this news release so that investors may do the same. Such measures and related per-unit amounts are not defined by IFRS and therefore should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS. Furthermore, the supplemental measures used by management may not be comparable to similar measures presented by other real estate investment trusts or enterprises. These terms, which include the proportionate share basis of accounting as it relates to "equity accounted joint ventures", net operating income ("NOI"), funds from operations ("FFO") and adjusted funds from operations ("AFFO"), are defined in Section 13, "Non-GAAP Financial Measures", of the Choice Properties MD&A for the three months ended March 31, 2020, and are reconciled to the most comparable IFRS measure.

Choice Properties' unaudited interim period condensed consolidated financial statements and MD&A for the three months ended March 31, 2020 are available on Choice Properties' website at www.choicereit.ca and on SEDAR at www.sedar.com. Readers are directed to these documents for financial details and a fulsome discussion on Choice Properties' results.

Management's Discussion and Analysis and Consolidated Financial Statements and Notes

Information appearing in this news release is a select summary of results. This news release should be read in conjunction with the Choice Properties 2020 First Quarter Report to Unitholders, which includes the unaudited interim period condensed consolidated financial statements and MD&A for the Trust, and is available at www.choicereit.ca and on SEDAR at www.sedar.com.

Conference Call and Webcast

Management will host a conference call on Thursday, April 23, 2020 at 11:00AM (ET) with a simultaneous audio webcast. To access via teleconference, please dial (647) 427-7450 or (888) 231-8191. A playback will be made available two hours after the event at (416) 849-0833 or (855) 859-2056, access code: 9137276. The link to the audio webcast will be available on www.choicereit.ca in the "Events and Webcast" section under "News and Events".

Annual Meeting of Unitholders

Choice Properties' Annual Meeting of Unitholders will take place on Friday, April 24, 2020 at 10:00AM (ET). Due to the public health impact of the COVID-19 pandemic and in consideration of the health and safety of our Unitholders, employees and the broader community, this year's meeting will be held in a virtual meeting format only, by way of a live webcast. Unitholders can attend the meeting by joining the live webcast online at <https://web.lumiagm.com/166996853>. Refer to "How do I attend and participate in the virtual Meeting?" in the Management Proxy Circular which can be viewed online at www.choicereit.ca or under Choice Properties' SEDAR profile at www.sedar.com, for detailed instructions on how to attend and vote at the meeting. The webcast of the meeting will be archived on our website following the meeting. Please refer to the investor relations page at www.choicereit.ca for additional details on the virtual meeting.

About Choice Properties Real Estate Investment Trust

Choice Properties, Canada's preeminent diversified real estate investment trust, is the owner, manager and developer of a high-quality portfolio comprising 724 properties totaling 65.6million square feet of gross leasable area. Choice Properties owns a portfolio comprised of retail properties predominantly leased to necessity-based tenants; industrial, office and residential assets concentrated in attractive markets; and offers an impressive and substantial development pipeline. Choice Properties' strategic alliance with its principal tenant, Loblaw Companies Limited, the country's leading retailer, is a key competitive advantage providing long-term growth opportunities. For more information, visit Choice Properties' website at www.choicereit.ca and Choice Properties' issuer profile at www.sedar.com.

Cautionary Statements Regarding Forward-looking Statements

This news release contains forward-looking statements relating to Choice Properties' operations and the environment in which the Trust operates, which are based on management's expectations, estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Therefore, actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. Management undertakes no obligation to publicly update any such statement, to reflect new information or the occurrence of future events or circumstances, except as required by law.

Numerous risks and uncertainties could cause the Trust's actual results to differ materially from those expressed, implied or projected in the forward-looking statements, including those described in Section 11, "Enterprise Risks and Risk Management" of the Trust's MD&A for the three months ended March 31, 2020, which includes detailed risks and disclosure regarding COVID-19 and its impact on the Trust.

Contact

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