

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

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PART I

Business Overview and Strategy

Killam Apartment REIT ("Killam," the "Trust," or the "REIT"), based in Halifax, Nova Scotia (NS), is a Canadian multi-residential property owner, owning, operating, managing and developing a \$5.6 billion portfolio of apartments, manufactured home communities (MHCs) and commercial properties across seven provinces. Killam was founded in 2000 to create value through the consolidation of apartments in Atlantic Canada and MHCs across Canada. Killam entered the Ontario (ON) apartment market in 2010, the Alberta (AB) apartment market in 2014, and the British Columbia (BC) apartment market in 2020. Killam broke ground on its first development in 2010 and has completed 19 projects to date, with projects in Waterloo, ON, and Halifax, NS, currently under construction.

Killam's strategy to drive value and profitability focuses on three priorities:

- 1) Increase earnings from the existing portfolio;
- 2) Expand the portfolio and diversify geographically through accretive acquisitions that target newer properties and through the disposition of non-core assets; and
- 3) Develop high-quality properties in its core markets.

The apartment business is Killam's largest segment and accounted for 88.5% of Killam's net operating income (NOI) for the nine months ended September 30, 2025. As at September 30, 2025, Killam's apartment portfolio consisted of 17,861 units, including 739 units jointly owned with institutional partners. Killam's 203 apartment properties are located in Atlantic Canada's five largest urban centres (Halifax, Moncton, Saint John, Fredericton and St. John's), Ontario (Ottawa, London and the Kitchener-Waterloo-Cambridge-Greater Toronto Area (KWC-GTA)), Alberta (Edmonton and Calgary), and British Columbia (Greater Victoria and Courtenay). Killam is Atlantic Canada's largest owner of multi-residential apartments and plans to continue increasing its presence outside Atlantic Canada through acquisitions and developments; however, it will continue to invest strategically in Atlantic Canada to maintain its market presence.

In addition, Killam owns 5,805 sites in 38 MHCs, also known as land-lease communities or trailer parks, in Ontario and Atlantic Canada. Killam owns the land and infrastructure supporting these communities and leases sites to tenants who own their own homes and pay Killam site rent. The MHC portfolio accounted for 6.2% of Killam's NOI for the nine months ended September 30, 2025. Killam also owns 979,649 square feet (SF) of stand-alone commercial space that accounted for 5.3% of Killam's NOI for the nine months ended September 30, 2025.

Basis of Presentation

The following Management's Discussion and Analysis (MD&A) has been prepared by Management and focuses on key statistics from the annual consolidated financial statements, including the notes thereto, and pertains to known risks and uncertainties. This MD&A should be read in conjunction with the Trust's audited consolidated financial statements for the years ended December 31, 2024 and 2023, and in conjunction with the Trust's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2025 and 2024, which have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB). These documents, along with Killam's 2024 Annual Information Form (AIF), are available on SEDAR+ at www.sedarplus.ca.

The discussions in this MD&A are based on information available as at November 5, 2025. This MD&A has been reviewed and approved by Management and the REIT's Board of Trustees.

Declaration of Trust

Killam's investment guidelines and operating policies are set out in its Amended and Restated Declaration of Trust (DOT) dated November 30, 2024, which is available on SEDAR+ at www.sedarplus.ca. A summary of the guidelines and policies is as follows:

Investment Guidelines

- The Trust will acquire, hold, develop, maintain, improve, lease or manage income-producing real estate properties;
- Investments in joint ventures, partnerships (general or limited) and limited liability companies are permitted;
- Investments in land for development that will be capital property for Killam are permitted; and
- Investments that would disqualify Killam as a "mutual fund trust" or a "unit trust" as defined within the *Income Tax Act* (Canada) (the "Tax Act") are prohibited.

Operating Policies

- Overall indebtedness is not to exceed 70% of Gross Book Value (GBV), as defined by the DOT;
- Guarantees of indebtedness that would disqualify Killam as a "mutual fund trust" or a "unit trust" as defined within the Tax Act are prohibited; and
- Killam must maintain property insurance coverage in respect of potential liabilities of the Trust.

As at September 30, 2025, Killam was in compliance with all investment guidelines and operating policies.

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Forward-Looking Statements Disclaimer

Certain statements contained in this MD&A may contain forward-looking statements and forward-looking information (collectively, "forward-looking statements"), including within the meaning of applicable securities law.

In some cases, forward-looking statements can be identified by the use of words such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "potential," "continue," "target," "committed," "priority," "remain," "strategy," or the negative of these terms or other comparable terminology, and by discussions of strategies that involve risks and uncertainties.

Such forward-looking statements contained in this MD&A may include, among other things, statements regarding: Killam's expectations for market demand, rental rates and rent growth, operating costs and other expenses, occupancy levels, same property revenue, turnover rates, demand, rent control rates; the amount and timing of rental incentives; Management's focus on growing funds from operations (FFO) and adjusted funds flow from operations (AFFO); the effect of government-imposed rental rate restrictions; Killam's strategy and priorities, including increasing earnings from Killam's existing portfolio, expanding Killam's portfolio and diversifying geographically through accretive acquisitions and capital recycling and developing high-quality properties in core markets; healthy top-line growth; Killam's increased presence outside of, and maintained market presence in, Atlantic Canada through acquisitions and development; Killam's capital expenditures (capex) reserve; Killam's development pipeline and the qualities thereof; the amount, locations, timing and consideration for or proceeds of future acquisitions and dispositions, as applicable; the use of proceeds from Killam's dispositions; Killam's property developments, including cost, timing, completion and leasing thereof and impact on Killam's business; Killam's short- and longer-term targets relating to same property NOI growth, capital recycling, geographic diversification and NOI generated outside of Atlantic Canada, development of high-quality properties, strengthening Killam's balance sheet and debt maintenance or reductions, investments in sustainability and energy-efficient projects, employee satisfaction scores, and the factors impacting Killam's ability to achieve such targets; Killam's ability to lease Westmount Place, the timing thereof and the impact on Killam's NOI; rental and renewal rates and Killam's ability to capture spreads; increased property tax and assessments; Killam's ability to mitigate cost increases and property taxes; Killam's ability to mitigate inflationary pressures; the effect of completed developments on Killam's business, including FFO and timing thereof; revenue growth and resiliency in Atlantic Canada; increasing the percentage of Killam's apartment mortgages with Canadian Mortgage Housing Corporation (CMHC)-insured debt; Killam's repositioning program; anticipated interest rates and the effects thereof; Killam's ability to mitigate interest rate risk; Killam's risk management program; the impact of zoning on Killam's ability to develop properties; seasonal revenue; the impact of efficiency initiatives on Killam's operating costs and NOI growth; credit availability; financing costs; the pace and scope of future acquisitions, construction, development and renovation, renewals and leasing; the return on investment for unit renovations; the sufficiency of Killam's liquidity and capital resources; refinancing of existing debt and other refinancing opportunities and the timing and terms thereof; the impact of maintenance capex and value-enhancing upgrades; capital investment and the availability, sources, amount, per unit amount and timing thereof; annual investments in MHC sites; Killam's normal course issuer bid (NCIB) program and unit purchases thereunder; future distributions to unitholders and the amount and timing thereof; the impact of the elimination of the consumer carbon tax on Killam's business; Killam's commitment to environmental, social and governance (ESG) and sustainability; investment in ESG initiatives and technology and their impact on Killam's energy consumption and costs; the installation of photovoltaic (PV) solar arrays and new boilers and heat pumps, and the expected annual energy production, annual return and emissions reductions from such PV arrays; reducing Killam's impact on the environment; increasing climate change initiatives and reporting; and the impact of ESG practices on maximizing unitholder value.

Readers should be aware that these forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those anticipated or implied, or those suggested by any forward-looking statements, including: the effects and duration of local, international or global events, and any government responses thereto; national and regional economic conditions (including interest rates and inflation); the availability of capital to fund further investments in Killam's business; Killam's ability to refinance its existing debt; and the risks, uncertainties and other factors found under the "Risk Management" section of Killam's MD&A for the year ended December 31, 2024, under the "Risk Factors" section of Killam's most recent AIF, and identified in other documents Killam files from time to time with securities regulatory authorities in Canada, available on SEDAR+ at www.sedarplus.ca. Given these uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements contained in this MD&A.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events contained therein may not occur. Although Management believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that future results, levels of activity, performance or achievements will occur as anticipated.

While Killam anticipates that subsequent events and developments may cause this view to change, Killam does not intend to update or revise any forward-looking statement, whether as a result of new information, future events, circumstances, or such other factors that affect this information, except as required by applicable law. The forward-looking statements in this document are provided for the limited purpose of enabling current and potential investors to evaluate an investment in Killam. Readers are cautioned that such statements may not be appropriate and should not be used for any other purpose.

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Non-IFRS Financial Measures

Management believes the following non-IFRS financial measures, ratios and supplementary information are relevant measures of the ability of Killam to earn revenue and to evaluate Killam's financial performance. Non-IFRS financial measures should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS Accounting Standards, as indicators of Killam's performance or the sustainability of Killam's distributions. These measures do not have standardized meanings under IFRS Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other issuers.

Non-IFRS Financial Measures

- FFO is a non-IFRS financial measure of operating performance widely used by the Canadian real estate industry based on the definition set forth by REALPAC. FFO, and applicable per unit amounts and payout ratios, are calculated by Killam as net income adjusted for fair value gains (losses), interest expense on Exchangeable Units, gains (losses) on disposition, deferred tax expense (recovery), internal commercial leasing costs, depreciation on an owner-occupied building and change in principal related to lease liabilities. FFO is calculated in accordance with the REALPAC definition. A reconciliation between net income and FFO is included on page 24.
- AFFO is a non-IFRS financial measure of operating performance widely used by the Canadian real estate industry based on the definition set forth by REALPAC. AFFO, and applicable per unit amounts and payout ratios, are calculated by Killam as FFO less an allowance for maintenance capex (a three-year rolling historical average capital investment to maintain and sustain Killam's properties), internal and external commercial leasing costs and commercial straight-line rents. AFFO is calculated in accordance with the REALPAC definition. Management considers AFFO an earnings metric. A reconciliation from FFO to AFFO is included on page 25.
- Adjusted cash flow from operations (ACFO) is a non-IFRS financial measure of operating performance widely used by the Canadian real estate industry based on the definition set forth by REALPAC. ACFO, and applicable payout ratios, are calculated by Killam as cash flow provided by operating activities with adjustments for changes in non-cash working capital that are not indicative of sustainable cash flows, maintenance capex, external commercial leasing costs, amortization of deferred financing costs and interest expense related to lease liabilities. Management considers ACFO a measure of sustainable cash flow. ACFO is calculated in accordance with the REALPAC definition. A reconciliation from cash provided by operating activities to ACFO is included on page 26.
- Adjusted earnings before interest, tax, depreciation and amortization (adjusted EBITDA) is a non-IFRS financial measure calculated by Killam as net income before fair value adjustments, gains (losses) on disposition, deferred tax expense (recovery), financing costs, restructuring costs and depreciation. A reconciliation is included on page 29.
- Normalized adjusted EBITDA is a non-IFRS financial measure calculated by Killam as adjusted EBITDA that has been normalized for a full year of stabilized earnings from recently completed acquisitions, dispositions and developments, on a forward-looking basis. Transaction costs associated with the internal reorganization (described on page 23) are excluded from adjusted EBITDA. A reconciliation is included on page 29.
- Net debt is a non-IFRS financial measure used by Management in the computation of debt to normalized adjusted EBITDA. Net debt is calculated as the sum of all interest-bearing debt, being mortgages and loans payable, credit facilities and construction loans, reduced by the cash balances at the end of the period. The most directly comparable IFRS measure to net debt is debt. A reconciliation is included on page 29.

Non-IFRS Ratios

- Interest coverage is calculated by dividing adjusted EBITDA by mortgage, loan and construction loan interest and interest on credit facilities. The calculation is included on page 29.
- Debt service coverage is calculated by dividing adjusted EBITDA by the sum of mortgage, loan and construction loan interest, interest on credit facilities and principal mortgage repayments. The calculation is included on page 29.
- Per unit calculations are calculated using the applicable non-IFRS financial measures noted above, i.e., FFO, AFFO and/or ACFO, divided by the diluted number of units outstanding at the end of the relevant period.
- Payout ratios are calculated using the distribution rate for the period divided by the applicable per unit amount, i.e., AFFO and/or ACFO.
- Debt to normalized adjusted EBITDA is calculated by dividing net debt by normalized adjusted EBITDA. The calculation is included on page 29.

Supplementary Financial Measures

- Same property NOI is a supplementary financial measure defined as NOI for stabilized properties that Killam has owned for equivalent periods in 2025 and 2024. Same property results represent 92.7% of the fair value of Killam's investment property portfolio as at September 30, 2025. Excluded from same property results in 2025 are acquisitions, dispositions and developments completed in 2024 and 2025, and non-stabilized properties linked to development projects.
- Same property average rent is calculated by taking a weighted average of the total residential rent for the last month of the reporting period, divided by the relevant number of the units per region for stabilized properties that Killam has owned for equivalent periods in 2025 and 2024. For total residential rents, rents for occupied units are based on contracted rent, and rents for vacant units are based on estimated market rents if the units were occupied.

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Capital Management Financial Measure

- Total debt as a percentage of total assets is a capital management financial measure and is calculated by dividing total debt by total assets, excluding right-of-use assets. This measure is reconciled in note 22 of the unaudited condensed consolidated interim financial statements.

PART II

Key Performance Indicators

To assist Management and investors in monitoring Killam's achievement of its objectives, Killam utilizes a number of key performance indicators to measure the success of its operating and financial performance:

- 1) FFO per unit – A standard measure of earnings for real estate entities. Management is focused on growing FFO per unit.
- 2) AFFO per unit – A standard measure of earnings for real estate entities. Management is focused on growing AFFO per unit.
- 3) Payout Ratio – Killam monitors its FFO, AFFO and ACFO payout ratios and targets lower payout ratios. The ACFO payout ratio is a measure to assess the sustainability of distributions. The FFO and AFFO payout ratios are used as supplementary financial measures. Although Killam expects to sustain and grow distributions, the amount of distributions will depend on debt repayments and refinancings, capital investments, and other factors that may be beyond the control of the REIT.
- 4) Same Property NOI – This measure considers Killam's ability to increase its same property NOI, removing the impact of recent acquisitions, dispositions and developments.
- 5) Occupancy – Management is focused on maximizing occupancy while also managing the impact of higher rental rates. This measure is a percentage based on gross potential residential rent less dollars of lost rent from vacancy, divided by gross potential residential rent.
- 6) Rental Increases – Management expects to increase average annual rental rates and tracks weighted average annual rate increases.
- 7) Total Debt as a Percentage of Total Assets – Killam's primary measure of its leverage is total debt as a percentage of total assets. Killam's DOT operating policies stipulate that overall indebtedness is not to exceed 70% of GBV. Total debt as a percentage of total assets is calculated by dividing total interest-bearing debt by total assets, excluding right-of-use assets.
- 8) Weighted Average Interest Rate of Mortgage Debt and Total Debt – Killam monitors the weighted average cost of its mortgage and total debt.
- 9) Weighted Average Years to Debt Maturity – Management monitors the weighted average number of years to maturity on its debt.
- 10) Debt to Normalized Adjusted EBITDA – A common measure of leverage used by lenders, this measure considers Killam's financial health and liquidity. In normalizing recently completed acquisitions, dispositions and developments, Killam uses a forward-looking full year of stabilized earnings. Generally, the lower the debt to normalized adjusted EBITDA ratio, the lower the credit risk.
- 11) Debt Service Coverage – A common measure of credit risk used by lenders, this measure considers Killam's ability to pay both interest and principal on outstanding debt. Generally, the higher the debt service coverage ratio, the lower the credit risk.
- 12) Interest Coverage – A common measure of credit risk used by lenders, this measure considers Killam's ability to pay interest on outstanding debt. Generally, the higher the interest coverage ratio, the lower the credit risk.

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Financial and Operational Highlights

The following table presents a summary of Killam's key IFRS Accounting Standards and non-IFRS financial and operational performance measures:

Operating Performance	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	Change ⁽¹⁾	2025	2024	Change ⁽¹⁾
Property revenue	\$98,473	\$93,788	5.0%	\$287,142	\$272,069	5.5%
Net operating income	\$67,785	\$64,416	5.2%	\$190,856	\$179,361	6.4%
Net income	\$41,860	\$62,732	(33.3)%	\$176,907	\$304,425	(41.9)%
FFO ⁽²⁾	\$41,877	\$40,468	3.5%	\$115,517	\$108,521	6.4%
FFO per unit – diluted ⁽²⁾	\$0.34	\$0.33	3.0%	\$0.93	\$0.88	5.7%
AFFO ⁽²⁾⁽³⁾	\$36,218	\$34,724	4.3%	\$98,408	\$91,149	8.0%
AFFO per unit – diluted ⁽²⁾⁽³⁾	\$0.29	\$0.28	3.6%	\$0.79	\$0.74	6.8%
Weighted average number of units outstanding – diluted (000s)	124,745	123,294	1.2%	124,371	122,963	1.1%
Distributions paid per unit ⁽⁴⁾	\$0.18	\$0.18	—%	\$0.54	\$0.52	2.9%
AFFO payout ratio – diluted ⁽²⁾⁽³⁾	62%	62%	— bps	68%	71%	(300) bps
AFFO payout ratio – rolling 12 months ⁽²⁾⁽³⁾	69%	72%	(300) bps			
Portfolio Performance						
Same property NOI ⁽²⁾	\$63,585	\$60,267	5.5%	\$178,955	\$167,803	6.6%
Same property NOI margin	68.8%	68.7%	10 bps	66.4%	66.0%	40 bps
Same property apartment occupancy	97.2%	97.7%	(50) bps			
Same property apartment weighted average rental increase ⁽⁵⁾	5.2%	7.2%	(200) bps			

As at	September 30, 2025	December 31, 2024	Change ⁽¹⁾
Leverage Ratios and Metrics			
Debt to total assets	40.5%	40.4%	10 bps
Weighted average mortgage interest rate	3.56%	3.45%	11 bps
Weighted average years to debt maturity	3.6	4.0	(0.4) years
Debt to normalized EBITDA ⁽²⁾	9.68x	9.69x	(0.1)%
Debt service coverage ⁽²⁾	1.59x	1.55x	2.6%
Interest coverage ⁽²⁾	2.96x	2.94x	0.7%

(1) Change expressed as a percentage, basis points (bps) or years.

(2) FFO, AFFO, FFO per unit, AFFO per unit, AFFO payout ratio, debt to normalized EBITDA ratio, debt service coverage ratio, interest coverage ratio and same property NOI are not defined by IFRS Accounting Standards, do not have standard meanings and may not be comparable with other industries or entities (see "Non-IFRS Financial Measures").

(3) The maintenance capital expenditures used to calculate AFFO and AFFO payout ratio for the three and nine months ended September 30, 2024, were updated to reflect the maintenance capex reserve of \$1,100 per apartment unit, \$310 per MHC site and \$1.10 per SF for commercial properties that were used in the calculation for the 12 months ended December 31, 2024.

(4) Effective November 2024, Killam increased its annual distribution by 2.9%, up from \$0.70 per unit to \$0.72 per unit.

(5) Year-over-year, as at September 30.

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Summary of Q3-2025 Results and Operations

Generated 3.0% FFO per Unit Growth and 3.6% AFFO per Unit Growth

Killam generated FFO per unit (diluted) of \$0.34 in Q3-2025, representing a 3.0% increase over \$0.33 in Q3-2024. AFFO per unit (diluted) grew 3.6% to \$0.29, up from \$0.28 in the same period in 2024. The growth in FFO and AFFO reflects strong same property NOI and contributions from recently completed developments, partially offset by higher interest and administrative expenses. The increase in AFFO per unit highlights the success of Killam's capital recycling strategy, which is focused on disposing of older, capital-intensive properties and reinvesting in newer, more efficient assets through acquisitions and development.

Delivered Same Property NOI Growth of 5.5%

Killam achieved same property NOI growth of 5.5% during the quarter, driven by a 5.2% increase in same property revenue. The revenue growth reflects a 5.2% year-over-year increase in apartment rental rates and higher ancillary revenue, partially offset by a 50 bps decline in same property occupancy to 97.2%, compared to Q3-2024. The weighted average rental rate increase on units that renewed and turned during the quarter was 4.7%, comprising 9.2% growth on units that turned during the quarter and 3.4% on renewals, compared to 7.7% in Q3-2024. Rental incentives also increased quarter-over-quarter; however, they remain location- and property-specific, representing less than 0.7% of total same property apartment revenue in Q3-2025 (Q3-2024 – less than 0.3%).

Total same property operating expenses increased 4.7% in the quarter. Same property tax expense rose 6.2%, reflecting higher assessments and mill rate increases across the portfolio. Same property general operating expenses were up 5.1%, primarily due to higher wage costs and the timing of certain contract service and repairs and maintenance expenses. Same property utility and fuel costs increased modestly by 0.8%, driven by higher water and electricity costs, partially offset by lower natural gas costs as a result of the elimination of the consumer carbon tax.

Achieved Net Income of \$41.9 Million

In Q3-2025, Killam generated net income of \$41.9 million, compared to \$62.7 million in Q3-2024. The decrease in net income was primarily driven by a \$4.8 million fair value loss on investment properties in the quarter, compared to fair value gains of \$51.3 million in Q3-2024. The reduction in fair value gains quarter-over-quarter reflects stabilization in asking rents, as well as a slight decline in occupancy rates following peak levels over the last two years. This was partially mitigated by a \$3.4 million increase in NOI and a \$11.3 million reduction in deferred tax expense related to the internal reorganization that was completed by way of a plan of arrangement effective November 30, 2024 (the "Arrangement," as described on page 23).

Recycled Capital through \$110.6 Million in Dispositions and \$168.8 Million in Acquisitions

Killam's capital recycling program is focused on the disposition of non-core and slower-growth properties, or those that are more capital intensive. During the quarter, Killam completed the sale of 12 properties located in Charlottetown and Summerside, Prince Edward Island (PEI), for gross proceeds of \$90.9 million, and one apartment property located in Saint John, New Brunswick (NB), for gross proceeds of \$17.0 million. These transactions bring Killam's 2025 disposition total to \$147.6 million, achieving the upper range of its disposition of non-core assets target of \$100–\$150 million in 2025. The sale of the 12 properties located in PEI reduces Killam's apartment exposure in this region to only 85 units. Proceeds from these sales were used to acquire 114 recently built units in Fredericton, NB, for \$28.7 million and the remaining 50% ownership interest in three apartment buildings (representing 302 units, for a total ownership interest of 604 units) and one commercial property in Ottawa, ON that were held in a joint venture for \$140.1 million.

Completed a 139-Unit Development Located in Waterloo, ON

The Carrick, Killam's 139-unit development located in Waterloo, ON, reached substantial completion in July 2025. Leasing activity has been strong, with 110 units (80%) leased to date. Management expects the building will reach stabilized occupancy in early 2026, and will contribute positively to FFO growth next year. Killam has also continued to advance the development of Brightwood (150 Wissler), a 128-unit building located in Waterloo, ON and Eventide, a 55-unit development located in Halifax, NS. Both projects are scheduled for completion in 2026 and are expected to contribute positively to FFO per unit growth in late 2026 and into 2027. Development is a key component of Killam's growth strategy, and Management remains confident in its ability to drive value through its development platform.

Continued Improvement in Killam's Annual GRESB Results

In Q3-2025, Killam received its 2025 GRESB results, based on performance for the 2024 reporting year. Killam achieved a score of 82 out of 100, representing a three-point improvement year-over-year, which reflects Killam's ongoing commitment to ESG-related initiatives. Killam also received the results from its annual employee satisfaction survey, achieving an overall satisfaction score of 81%, which exceeds its annual target of 80%. The survey results demonstrate strong employee engagement and provide valuable insights to guide ongoing employee initiatives.

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Strategic Targets

Growth in Same Property NOI	
2025 Target	Achieve same property NOI growth between 4.0% and 7.0%.
2025 Performance to Date	Killam achieved same property NOI growth of 6.6% for the nine months ended September 30, 2025. Based on performance to date and Q4 expectations, Killam anticipates same property NOI growth for 2025 to be approximately 6.0%.
Capital Recycling	
2025 Target	Sell a minimum of \$100–\$150 million of non-core assets.
2025 Performance to Date	Year-to-date, Killam completed asset dispositions for gross proceeds of \$147.6 million, achieving the upper range of its capital recycling disposition target.
Geographic Diversification	
2025 Target	Earn more than 40% of 2025 NOI outside Atlantic Canada.
2025 Performance to Date	Killam is on track to meet this target, with 39.9% of NOI generated outside Atlantic Canada as of September 30, 2025. Killam expects to exceed this target by year-end, supported by the ongoing lease-up of The Carrick, a recently completed 139-unit property in Waterloo, and additional NOI contributed from the acquisition of the remaining 50% ownership interest in three Ottawa apartment properties. Progress toward this goal was also advanced by the disposition of properties in PEI during the second and third quarters.
Development of High-Quality Properties	
2025 Target	Complete construction on one development project and break ground on one additional development in 2025.
2025 Performance to Date	Killam is on track to meet this target. The Carrick reached substantial completion in July (80% currently leased). In addition, Killam expects to break ground on at least one additional development in the fourth quarter. Killam also continues to advance the development of Brightwood (150 Wissler), a 128-unit development located in Waterloo, and Eventide, a 55-unit development located in Halifax. Both developments are expected to be completed in 2026.
Strengthened Balance Sheet	
2025 Target	Maintain debt as a percentage of total assets below 42%.
2025 Performance to Date	Debt as a percentage of total assets was 40.5% as at September 30, 2025 (December 31, 2024 – 40.4%).
Sustainability Investment	
2025 Target	Invest a minimum of \$6.0 million in energy initiatives in 2025.
2025 Performance to Date	Year-to-date, Killam has invested \$4.7 million in energy initiatives, including the installation of PV solar panels, new boilers and heat pumps, as well as building upgrades such as new cladding and insulation. Killam remains on track to meet its \$6.0 million investment target.

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Outlook

Market Rent Stabilization

Following significant market rent growth across Canada from 2022 to 2024, market rents softened during the first half of 2025 and have stabilized in the majority of markets through Q3-2025. Management estimates the current mark-to-market spread on Killam's apartment portfolio is approximately 12%, compared to 15% at December 31, 2024. This compression reflects rent growth captured over the last nine months, as well as downward pressure on market rents. Killam's ability to capture mark-to-market spreads will depend on both the volume and composition of unit turnover. Based on recent leasing activity, Management is continuing to see strong demand for apartments across the country when priced competitively.

NOI Growth Expected to Continue

Rental rate growth is expected to be the primary driver of revenue growth in 2026. Above average top-line growth from properties located in Atlantic Canada, combined with moderate expense growth, is anticipated to support steady same property NOI growth into 2026. Additionally, the removal of the consumer carbon tax effective April 1, 2025, is expected to provide additional savings in Q4-2025 and in Q1-2026. Rising property assessments and mill rates are expected to lead to an average 5%–6% increase in property tax expense in 2026. Killam will continue to challenge unreasonable assessments to manage the expense as much as possible. Killam also continues to enhance its energy management and operating platforms to maximize operating margins. These investments help mitigate annual inflationary pressures.

Atlantic Region Expected to Lead Portfolio Performance

Management expects Atlantic Canada to continue to lead Killam's portfolio in revenue growth over the next year. Current performance indicators reflect strong market fundamentals in Killam's Atlantic Canadian markets relative to Ontario and Western Canada. Year-to-date, rent increases on unit turns have remained above average, with limited requirements for rental incentives. Same property occupancy across all Atlantic Canadian markets has remained strong at or above 97.9%. In addition, Killam's diversified portfolio in the region reduces exposure to any single rent category. As a result, if there is downward pressure on rental rates at the higher end of the market, Killam's exposure is expected to be limited due to its strategic diversification.

Well Positioned in Market of Increased Supply

Canada has seen apartment construction starts increase over the last four years in response to the housing shortfall. Following recent population growth that far exceeds Canada's historic norms, a supply-demand imbalance had been a key factor in the rising market rents experienced over the last three years. Based on construction activity underway, new apartment completions are expected to be above average in some of Killam's key markets, including Halifax. With a diverse portfolio in Halifax having an average monthly rent of \$1,565, Management is confident in its ability to continue to generate revenue growth in the city. Killam's mark-to-market spread in Halifax is approximately 21%, one of the highest among Killam's core markets. Additionally, most of the new units expected to enter the market have monthly rents exceeding \$2,500 per month, far above Killam's average in-place rent. Across Canada, Killam's average apartment rent of \$1,590 per month is affordable and is expected to remain competitive going forward.

Active Capital Recycling Program

2025 marks the third year of Killam's asset recycling program. This initiative has effectively enabled Killam to reallocate capital in order to strengthen its balance sheet, support ongoing development projects, and provide funding for future acquisitions. By divesting properties with lower long-term return potential, Killam is strategically positioning its portfolio for superior returns and enhanced cash flows. Management anticipates that this capital recycling program will continue to be a part of Killam's capital allocation program going forward.

Benefits from Killam's Established Development Program

Killam's three developments completed in 2023 and 2024 have meaningfully contributed to year-to-date performance, generating \$3.1 million in FFO growth compared to the same period in 2024. The Carrick, completed in July 2025, is expected to contribute positively to FFO growth beginning in 2026. Killam's active developments, Brightwood and Eventide, are both scheduled for completion in 2026 and are expected to support FFO per unit growth in late 2026 and into 2027. With an extensive development pipeline of over 8,000 units, which includes additional density across various large-acreage properties in its portfolio, Killam has many years of development potential. Killam expects that the majority of the capital required to fund these projects will be sourced through lower-cost construction financing programs, limiting the need for operating cash flow to support development activity.

New Retail and Office Opportunities at Westmount Place, Waterloo, ON

A tenant currently occupying 197,000 SF of retail and office space at Westmount Place has notified Killam of its intention not to renew its lease as of March 31, 2026. Killam has engaged a national commercial real estate brokerage to re-lease this property, which consists of 90,000 SF of ground floor retail and 107,000 SF of office space across three upper floors. Presently, Westmount Place is uniquely positioned as the only building in Waterloo known to offer a contiguous block of 197,000 SF in an urban, transit-accessible location. Killam has received inquiries from both local and national retail and office tenants seeking spaces ranging from 10,000 to 100,000 SF. In the event that the premises remain vacant from April 1 to December 31, 2026, Killam projects a reduction in net operating income of \$3.0 million for Westmount Place. Nevertheless, due to Westmount Place's prime location, adaptable floorplates, and proximity to existing residential and retail tenants, Management remains confident in its ability to restore the NOI previously generated by the outgoing tenant within 18 to 24 months. The leasing strategy targets securing commitments for 50,000 SF by the end of Q2-2026.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

PART III

Portfolio Summary

The following table summarizes Killam's apartment, MHC and commercial portfolios by market as at September 30, 2025:

Apartment Portfolio				
	Units ⁽¹⁾	Number of Properties	NOI (\$) ⁽²⁾	NOI ⁽²⁾ (% of Total)
Nova Scotia				
Halifax	5,600	66	\$53,442	28.0%
Ontario				
KWC-GTA	2,065	14	\$22,062	11.6%
Ottawa	1,447	9	\$12,472	6.5%
London	523	5	\$5,190	2.7%
	4,035	28	\$39,724	20.8%
New Brunswick				
Moncton	2,246	39	\$17,503	9.2%
Fredericton	1,643	26	\$13,278	6.9%
Saint John	898	12	\$7,034	3.7%
	4,787	77	\$37,815	19.8%
Alberta				
Calgary	998	5	\$11,122	5.8%
Edmonton	882	6	\$8,654	4.6%
	1,880	11	\$19,776	10.4%
Newfoundland and Labrador				
St. John's	958	13	\$7,526	4.0%
British Columbia				
Victoria	516	5	\$6,513	3.4%
Prince Edward Island				
Charlottetown ⁽³⁾	85	3	\$4,040	2.1%
Total Apartments	17,861	203	\$168,836	88.5%
Manufactured Home Community Portfolio				
	Sites	Number of Communities	NOI (\$) ⁽²⁾	NOI ⁽²⁾ (% of Total)
Ontario ⁽⁴⁾	2,284	17	\$6,203	3.2%
Nova Scotia	2,850	18	\$4,682	2.5%
New Brunswick ⁽⁴⁾	671	3	\$846	0.4%
Newfoundland and Labrador ⁽⁵⁾	—	—	\$149	0.1%
Total MHCs	5,805	38	\$11,880	6.2%
Commercial Portfolio ⁽⁶⁾				
	Square Footage	Number of Properties	NOI (\$) ⁽²⁾	NOI ⁽²⁾ (% of Total)
Ontario	318,498	3	\$3,931	2.1%
Prince Edward Island ⁽⁷⁾	410,175	1	\$3,284	1.7%
Nova Scotia ⁽⁸⁾	217,761	6	\$2,551	1.3%
New Brunswick	33,215	1	\$374	0.2%
Total Commercial	979,649	11	\$10,140	5.3%
Total Portfolio		252	\$190,856	100.0%

(1) Unit count includes the total unit count of properties held through Killam's joint arrangements. Killam has a 50% ownership interest in apartment properties in Ontario, representing a proportionate ownership of 370 units of the 739 units in these properties. Killam manages the operations of all the co-owned apartment properties.

(2) For the nine months ended September 30, 2025.

(3) Year-to-date, Killam has sold 15 apartment properties (714 units) located in Charlottetown and Summerside, PEI.

(4) Killam's New Brunswick and Ontario MHC communities include seasonal operations, which typically commence in mid-May and run through the end of October.

(5) Killam sold its two MHC properties located in Newfoundland and Labrador (NL) in Q2-2025.

(6) Killam has 166,108 SF of ancillary commercial space in various residential properties across the portfolio, which is included in apartment results.

(7) Square footage represents 100% of the commercial property located in PEI, of which Killam owns a 75% interest.

(8) Square footage includes Killam's 50% ownership interest in two office properties.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

PART IV

Q3-2025 Operational and Financial Results

Consolidated Results

For the three months ended September 30,

	Total Portfolio			Same Property ⁽¹⁾		
	2025	2024	% Change	2025	2024	% Change
Property revenue	\$98,473	\$93,788	5.0%	\$92,361	\$87,756	5.2%
Property operating expenses						
General operating expenses	14,180	13,426	5.6%	13,241	12,596	5.1%
Utility and fuel expenses	5,384	5,564	(3.2)%	5,194	5,152	0.8%
Property taxes	11,124	10,382	7.1%	10,341	9,741	6.2%
Total operating expenses	\$30,688	\$29,372	4.5%	\$28,776	\$27,489	4.7%
NOI	\$67,785	\$64,416	5.2%	\$63,585	\$60,267	5.5%
Operating margin %	68.8%	68.7%	10 bps	68.8%	68.7%	10 bps

For the nine months ended September 30,

	Total Portfolio			Same Property ⁽¹⁾		
	2025	2024	% Change	2025	2024	% Change
Property revenue	\$287,142	\$272,069	5.5%	\$269,393	\$254,215	6.0%
Property operating expenses						
General operating expenses	41,222	40,187	2.6%	38,872	37,367	4.0%
Utility and fuel expenses	22,298	21,838	2.1%	20,856	19,906	4.8%
Property taxes	32,766	30,683	6.8%	30,710	29,139	5.4%
Total operating expenses	\$96,286	\$92,708	3.9%	\$90,438	\$86,412	4.7%
NOI	\$190,856	\$179,361	6.4%	\$178,955	\$167,803	6.6%
Operating margin %	66.5%	65.9%	60 bps	66.4%	66.0%	40 bps

(1) Same property results exclude acquisitions, dispositions and developments completed during 2025 and 2024, which are classified as non-same property. For the three and nine months ended September 30, 2025, NOI contributions from acquisitions, dispositions and developments completed in 2024 and 2025 were \$2.5 million and \$6.6 million. For the three and nine months ended September 30, 2024, the NOI contributions from acquisitions, dispositions and developments completed in 2024 were \$0.4 million and \$1.5 million.

For the three and nine months ended September 30, 2025, Killam delivered strong overall portfolio performance, with revenue growth of 5.0% and 5.5%, respectively, despite completing \$164.7 million in property dispositions in the last 12 months. Total operating expenses increased by 4.5% in the quarter and 3.9% year-to-date, primarily driven by a 7.1% rise in property taxes in Q3-2025 and a 5.6% increase in general operating expenses. Total utility and fuel costs declined 3.2% in the quarter but were up 2.1% year-to-date due to higher natural gas costs incurred in the first quarter. Overall, NOI increased by 5.2% and 6.4% for the three and nine months ended September 30, 2025, compared to the same periods in 2024.

Same property results include properties owned during comparable 2025 and 2024 periods. Same property results represent 92.7% of the fair value of Killam's investment property portfolio as at September 30, 2025. Non-same property results include acquisitions, dispositions and developments completed in 2024 and 2025, as well as commercial assets acquired for future residential development. Of Killam's recently completed developments, Civic 66 and The Governor are included in the 2025 same property portfolio. Nolan Hill Phase II will move to the same property portfolio in 2026.

Same property revenue increased by 5.2% and 6.0% for the three and nine months ended September 30, 2025, compared to the same periods in 2024. This growth was driven by continued rental rate growth and higher ancillary revenue, partially offset by an increase in vacancy and rental incentives. Same property occupancy decreased by 50 bps quarter-over-quarter from 97.7% to 97.2%.

Total same property operating expenses increased by 4.7% for the three months ended September 30, 2025, primarily driven by a 6.2% rise in property tax expense, a 5.1% increase in general operating expenses, and a modest 0.8% increase in utility and fuel expenses. The higher operating expenses reflect primarily increased salary expense resulting from the timing of new hires compared to Q3-2024 in addition to the timing of repairs and maintenance costs. The increase in property tax expense was driven by higher assessments and mill rates across the portfolio. For the nine months ended September 30, 2025, total same property operating expenses grew by 4.7%, primarily due to a 5.4% increase in property taxes, a 4.8% rise in utility and fuel expenses and a 4.0% increase in general operating expenses. The rise in utility and fuel expenses year-to-date was largely attributable to higher natural gas prices and increased consumption resulting from a colder winter heating season.

In total, same property NOI increased by 5.5% and 6.6% for the three and nine months ended September 30, 2025, respectively.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Apartment Results

For the three months ended September 30,

	Total			Same Property		
	2025	2024	% Change	2025	2024	% Change
Property revenue	\$84,980	\$81,143	4.7%	\$79,164	\$75,414	5.0%
Property operating expenses						
General operating expenses	11,728	11,233	4.4%	10,756	10,374	3.7%
Utility and fuel expenses	4,503	4,754	(5.3)%	4,313	4,330	(0.4)%
Property taxes	9,893	9,196	7.6%	9,123	8,591	6.2%
Total operating expenses	\$26,124	\$25,183	3.7%	\$24,192	\$23,295	3.9%
NOI	\$58,856	\$55,960	5.2%	\$54,972	\$52,119	5.5%
Operating margin %	69.3%	69.0%	30 bps	69.4%	69.1%	30 bps

For the nine months ended September 30,

	Total			Same Property		
	2025	2024	% Change	2025	2024	% Change
Property revenue	\$252,265	\$238,943	5.6%	\$235,145	\$222,062	5.9%
Property operating expenses						
General operating expenses	34,746	34,074	2.0%	32,321	31,339	3.1%
Utility and fuel expenses	19,580	19,329	1.3%	18,147	17,397	4.3%
Property taxes	29,103	27,123	7.3%	27,111	25,722	5.4%
Total operating expenses	\$83,429	\$80,526	3.6%	\$77,579	\$74,458	4.2%
NOI	\$168,836	\$158,417	6.6%	\$157,566	\$147,604	6.7%
Operating margin %	66.9%	66.3%	60 bps	67.0%	66.5%	50 bps

Apartment Revenue

Total apartment revenue for the three and nine months ended September 30, 2025, was \$85.0 million and \$252.3 million, an increase of 4.7% and 5.6%, respectively, over the same periods in 2024. Revenue growth reflects contributions from properties acquired and developed over the past two years as well as rent growth, partially offset by property dispositions completed throughout 2024 and the first nine months of 2025.

Same property apartment revenue increased by 5.0% and 5.9% for the three and nine months ended September 30, 2025, respectively, compared to the same periods in 2024. This growth was primarily driven by a 5.2% year-over-year increase in same property average rent as at September 30, 2025, and higher ancillary revenue, partially offset by a 50 bps decline in occupancy and higher rental incentives.

The operating margin on Killam's same property apartment portfolio improved 30 bps and 50 bps for the three and nine months ended September 30, 2025, respectively, reaching 69.4% and 67.0%. The improvement reflects strong rental rate growth, which more than offset the increase in same property operating expenses.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Apartment Occupancy Analysis by Core Market (% of Residential Rent) ⁽¹⁾

		Total Occupancy				Same Property Occupancy		
For the three months ended September 30,	# of Units	2025	2024	Change (bps)		2025	2024	Change (bps)
Nova Scotia								
Halifax	5,600	97.9%	98.6%	(70)		97.9%	98.7%	(80)
Ontario								
KWC-GTA ⁽²⁾	2,065	91.8%	97.0%	(520)		96.8%	97.0%	(20)
Ottawa	1,447	96.7%	96.3%	40		96.3%	96.3%	—
London	523	96.5%	96.3%	20		96.5%	96.3%	20
New Brunswick								
Moncton	2,246	98.4%	98.8%	(40)		98.4%	98.8%	(40)
Fredericton	1,643	98.0%	99.1%	(110)		97.9%	99.1%	(120)
Saint John	898	98.0%	98.0%	—		98.0%	98.1%	(10)
Alberta								
Calgary ⁽³⁾	998	95.4%	85.2%	1,020		95.1%	91.7%	340
Edmonton	882	95.2%	97.3%	(210)		95.2%	97.3%	(210)
Newfoundland and Labrador								
St. John's	958	98.5%	98.3%	20		98.5%	98.5%	—
British Columbia								
Victoria ⁽⁴⁾	516	94.0%	95.7%	(170)		94.0%	95.7%	(170)
Prince Edward Island								
Charlottetown	85	99.0%	99.4%	(40)		99.4%	99.7%	(30)
Total Apartments (weighted average)	17,861	96.6%	97.2%	(60)		97.2%	97.7%	(50)

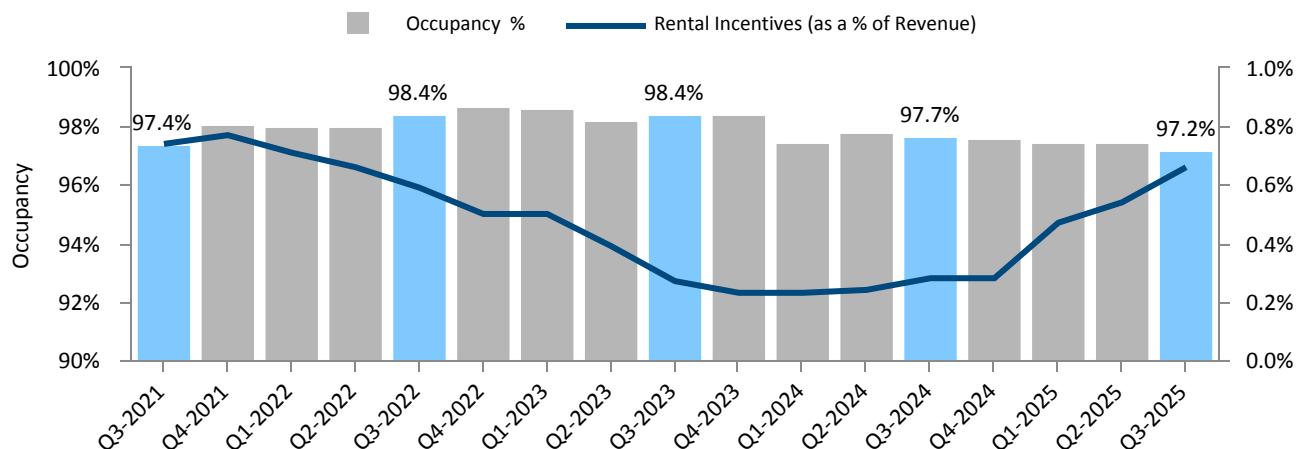
(1) Occupancy as a percentage of residential rent is calculated as vacancy (in dollars) divided by gross potential residential rent (in dollars) for the period.

(2) Total 2025 occupancy for KWC-GTA was impacted by The Carrick, a 139-unit development that was substantially completed in July 2025 and is currently undergoing initial lease-up.

(3) Total 2024 occupancy for Calgary was impacted by Nolan Hill Phase II, a 234-unit development undergoing initial lease-up, which is located in the same area of the city as an additional 391 units owned and managed by Killam.

(4) Total and same property 2025 occupancy for Victoria were impacted by a short-term increase in vacancy at two properties.

Historical Same Property Apartment Occupancy & Rental Incentives (as a % of Revenue)



While Killam continued to see a minimal uptick in rental incentives as a percentage of total revenue in Q3-2025, they only represent 0.7% of Killam's total same property revenue. Overall, Ontario accounted for 47% of total rental incentives in Q3-2025, while Alberta accounted for 34%. Killam aims to strategically maintain occupancy levels by offering targeted incentives in select regions, with the overall goal of minimizing incentives on new leases and decreasing incentives altogether where the market allows. The use of rental incentives is expected to continue throughout Q4-2025 and into 2026 in select markets and properties.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Year-Over-Year Average Rent Analysis by Core Market

As at September 30,

	# of Units	Average Rent			Same Property Average Rent		
		2025	2024	% Change	2025	2024	% Change
Nova Scotia							
Halifax	5,600	\$1,565	\$1,451	7.9%	\$1,576	\$1,469	7.3%
Ontario							
KWC-GTA	2,065	\$1,856	\$1,751	6.0%	\$1,813	\$1,751	3.5%
Ottawa	1,447	\$2,289	\$2,224	2.9%	\$2,276	\$2,224	2.3%
London	523	\$1,684	\$1,620	4.0%	\$1,684	\$1,620	4.0%
New Brunswick							
Moncton	2,246	\$1,318	\$1,256	4.9%	\$1,318	\$1,256	4.9%
Fredericton	1,643	\$1,425	\$1,344	6.0%	\$1,416	\$1,344	5.4%
Saint John	898	\$1,272	\$1,180	7.8%	\$1,272	\$1,190	6.9%
Alberta							
Calgary	998	\$1,688	\$1,674	0.8%	\$1,621	\$1,560	3.9%
Edmonton	882	\$1,664	\$1,613	3.2%	\$1,664	\$1,613	3.2%
Newfoundland and Labrador							
St. John's	958	\$1,173	\$1,078	8.8%	\$1,173	\$1,108	5.9%
British Columbia							
Victoria	516	\$1,972	\$1,933	2.0%	\$1,972	\$1,933	2.0%
Prince Edward Island							
Charlottetown ⁽¹⁾	85	\$1,483	\$1,210	22.6%	\$1,246	\$1,219	2.2%
Total Apartments (weighted average)	17,861	\$1,590	\$1,474	7.9%	\$1,568	\$1,491	5.2%

(1) The significant increase in year-over-year average rent in Charlottetown is the result of dispositions completed in 2025.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Same Property Rental Increases – Tenant Renewals versus Unit Turns

The table below reflects rental increases achieved on units renewed and turned (released), for the three and nine months ended September 30, 2025, whereas rental increases in the previous section reflect the year-over-year change in average rent by region as at September 30, 2025, compared to September 30, 2024.

Killam historically turned approximately 30%–32% of its units each year; however, this percentage has declined over the past five years. Due to the tightening of the housing and rental markets across Canada, Killam's turnover level in 2024 was 18.3%, down from 18.6% in 2023. In 2025, Killam has experienced an upward trend, and expects the turnover rate to be approximately 22% for the year. The increase in turnover to date in 2025 has been concentrated in units with tenure of one year or less and those at the higher end of the market. Upon turn, Killam will typically generate rental increases by moving rental rates to market and, where market demand exists, by upgrading units for unlevered returns greater than 10% on capital invested.

In Q3-2025, Killam's same property weighted average rental rate increased 4.7% for units that turned or renewed, representing a 300 bps decrease from 7.7% in Q3-2024. The decline was primarily driven by lower rental increases on unit turns, which averaged 9.2% during the quarter, compared to 13.0% in Q2-2025 and 20.4% in Q3-2024. Rental increases on renewals were 3.4%, down slightly from 3.7% in Q2-2025 and down 130 bps from 4.7% in Q3-2024.

Year-to-date, the weighted average rental rate increase was 5.2%, compared to 6.9% for the nine months ended September 30, 2024. The decline was primarily attributable to lower rental increases on unit turns, which averaged 11.8% in the first nine months of 2025, down from 20.1% in the same period of 2024. This was further impacted by an 80 bps decrease in rental increases on renewals, which declined from 4.3% to 3.5%.

The weighted average rental increase is typically lower in the first half of the year due to the large number of lease renewals on January 1, which are subject to rent control. The chart below summarizes the rental increases earned during the three and nine months ended September 30, 2025 and 2024.

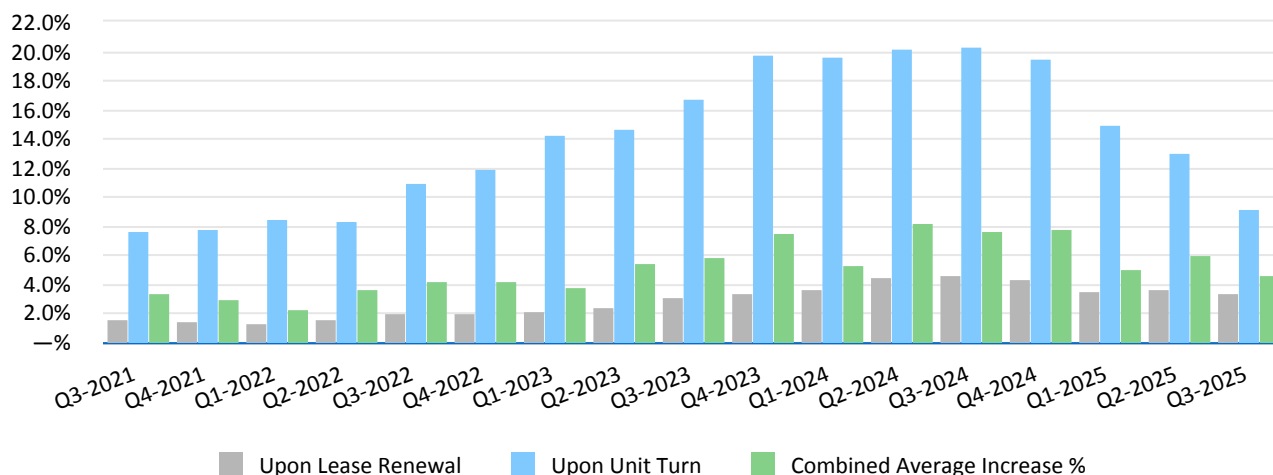
	For the three months ended September 30,				For the nine months ended September 30,			
	2025		2024		2025		2024	
	Rental Increases	Turnovers & Renewals	Rental Increases	Turnovers & Renewals	Rental Increases	Turnovers & Renewals ⁽¹⁾	Rental Increases	Turnovers & Renewals ⁽¹⁾
Lease renewal ⁽²⁾	3.4%	26.7%	4.7%	26.4%	3.5%	74.6%	4.3%	75.7%
Unit turn	9.2%	6.8%	20.4%	5.8%	11.8%	16.3%	20.1%	14.1%
(Weighted average)	4.7%		7.7%		5.2%		6.9%	

(1) Percentage of suites turned over or renewed during the periods, based on the total weighted average number of units held during those periods, adjusted for Killam's 50% ownership in jointly held properties.

(2) The large weighting of renewals during the nine months ended September 30, 2025 and 2024, is due to many leases across the portfolio renewing on January 1.

The following chart summarizes the weighted average rental rate increases achieved by quarter on lease turns and renewals.

Apartments – Historical Same Property Rental Rate Growth



Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Apartment Expenses

Total operating expenses for the three and nine months ended September 30, 2025, were \$26.1 million and \$83.4 million, representing increases of 3.7% and 3.6%, respectively, compared to the same periods in 2024. The increases are primarily attributable to higher property tax expense, driven by higher property tax assessments and mill rates across the portfolio. However, in Q1-2024, Killam received \$0.4 million in property tax recoveries relating to previous years, reducing overall property tax expense in that period. Excluding these recoveries, total operating expenses increased only 3.0% year-to-date.

Total same property operating expenses increased by 3.9% and 4.2% for the three and nine months ended September 30, 2025. Utility and fuel expenses decreased 0.4% in the quarter but rose 4.3% year-to-date, reflecting lower natural gas pricing compared to Q3-2024, offset by higher natural gas costs and increased consumption earlier in the year due to a colder winter heating season. Property tax expenses increased 6.2% and 5.4% due to higher assessments and mill rates across the portfolio.

General Operating Expenses

General operating expenses for the apartment portfolio include repairs and maintenance, contract services, insurance, property management wages and benefits, uncollectible accounts, marketing, general and administrative, advertising and leasing costs. The increase in same property general operating expenses of 3.7% and 3.1% for the three and nine months ended September 30, 2025, respectively, were primarily due to higher wage costs, as well as increased contract service and general and administrative expenses.

Same Property Utility and Fuel Expenses

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Natural gas	\$602	\$738	(18.4)%	\$6,587	\$5,911	11.4%
Electricity	1,692	1,651	2.5%	5,587	5,728	(2.5)%
Water	1,979	1,910	3.6%	5,750	5,555	3.5%
Oil & propane	21	12	75.0%	165	148	11.5%
Other	19	19	—%	58	55	5.5%
Total utility and fuel expenses	\$4,313	\$4,330	(0.4)%	\$18,147	\$17,397	4.3%

Killam's apartment portfolio is heated with natural gas (58%), electricity (33%), geothermal (6%), oil (2%), district heat (less than 1%) and propane (less than 1%). Electricity costs relate primarily to common areas, as unit electricity costs are typically paid for by tenants, reducing Killam's exposure to the majority of Killam's 5,900 apartments heated with electricity. Fuel costs associated with central natural gas or oil-fired heating plants are paid for by Killam.

Utility and fuel expenses accounted for approximately 18% and 23% of Killam's total apartment same property operating expenses for the three and nine months ended September 30, 2025, respectively. Total same property utility and fuel expenses declined 0.4% in the three months ended September 30, 2025, but rose 4.3% year-to-date compared to the same periods in 2024.

Same property natural gas expenses decreased 18.4% in the three months ended September 30, 2025, but increased 11.4% year-to-date, primarily due to higher pricing and increased consumption during the first quarter driven by a colder winter. In Q3-2025, total natural gas variable costs declined 44% in Alberta, 22% in British Columbia, 4% in Nova Scotia and 3% in Ontario, while rising by 4% in New Brunswick, as compared to Q3-2024. The overall reduction in natural gas variable costs across provinces was also driven by the removal of consumer carbon tax pricing effective April 1, 2025.

Electricity costs increased 2.5% in the three months ended September 30, 2025, but decreased 2.5% year-to-date. The increase in the quarter reflects a 5.7% rise in electricity pricing across the portfolio mainly driven by higher pricing in Ontario in July 2025, partially offset by a reduction in consumption. The year-to-date decline is mainly attributable to lower electricity pricing in the first half of the year. Killam has also experienced consumption savings from the installation of solar panels at a number of properties across the portfolio.

Water expenses increased by 3.6% and 3.5% for the three and nine months ended September 30, 2025, respectively, driven by an increase in water rates during Q3-2025 and a small increase in consumption.

Property Taxes

Same property tax expenses for the three and nine months ended September 30, 2025, were \$9.1 million and \$27.1 million, up 6.2% and 5.4%, respectively, from the same periods in 2024, reflecting higher assessments and mill rates across the portfolio. Killam actively reviews its property tax assessments and appeals tax assessment increases wherever possible.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Apartment Same Property NOI by Region

For the three months ended September 30,

	Property Revenue			Property Expenses			Net Operating Income		
	2025	2024	% Change	2025	2024	% Change	2025	2024	% Change
Nova Scotia									
Halifax	\$26,051	\$24,402	6.8%	(\$7,471)	(\$7,114)	5.0%	\$18,580	\$17,288	7.5%
	26,051	24,402	6.8%	(7,471)	(7,114)	5.0%	18,580	17,288	7.5%
Ontario									
KWC-GTA	10,923	10,521	3.8%	(3,518)	(3,347)	5.1%	7,405	7,174	3.2%
Ottawa	5,374	5,245	2.5%	(1,631)	(1,523)	7.1%	3,743	3,722	0.6%
London	2,600	2,475	5.1%	(845)	(806)	4.8%	1,755	1,669	5.2%
	18,897	18,241	3.6%	(5,994)	(5,676)	5.6%	12,903	12,565	2.7%
New Brunswick									
Moncton	9,327	8,910	4.7%	(3,235)	(3,179)	1.8%	6,092	5,731	6.3%
Fredericton	6,617	6,309	4.9%	(2,064)	(1,989)	3.8%	4,553	4,320	5.4%
Saint John	3,466	3,246	6.8%	(1,208)	(1,124)	7.5%	2,258	2,122	6.4%
	19,410	18,465	5.1%	(6,507)	(6,292)	3.4%	12,903	12,173	6.0%
Alberta									
Calgary	3,845	3,565	7.9%	(1,069)	(1,027)	4.1%	2,776	2,538	9.4%
Edmonton	4,403	4,354	1.1%	(1,378)	(1,457)	(5.4)%	3,025	2,897	4.4%
	8,248	7,919	4.2%	(2,447)	(2,484)	(1.5)%	5,801	5,435	6.7%
Newfoundland and Labrador									
St. John's	3,418	3,227	5.9%	(904)	(857)	5.5%	2,514	2,370	6.1%
	3,418	3,227	5.9%	(904)	(857)	5.5%	2,514	2,370	6.1%
British Columbia									
Victoria	2,881	2,907	(0.9)%	(735)	(703)	4.6%	2,146	2,204	(2.6)%
	2,881	2,907	(0.9)%	(735)	(703)	4.6%	2,146	2,204	(2.6)%
Prince Edward Island									
Charlottetown	259	253	2.4%	(134)	(169)	(20.7)%	125	84	48.8%
	259	253	2.4%	(134)	(169)	(20.7)%	125	84	48.8%
	\$79,164	\$75,414	5.0%	(\$24,192)	(\$23,295)	3.9%	\$54,972	\$52,119	5.5%

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

For the nine months ended September 30,

	Property Revenue			Property Expenses			Net Operating Income		
	2025	2024	% Change	2025	2024	% Change	2025	2024	% Change
Nova Scotia									
Halifax	\$76,899	\$71,516	7.5%	(\$25,179)	(\$23,747)	6.0%	\$51,720	\$47,769	8.3%
	76,899	71,516	7.5%	(25,179)	(23,747)	6.0%	51,720	47,769	8.3%
Ontario									
KWC-GTA	32,654	30,812	6.0%	(10,796)	(10,494)	2.9%	21,858	20,318	7.6%
Ottawa	16,096	15,687	2.6%	(4,826)	(4,581)	5.3%	11,270	11,106	1.5%
London	7,758	7,331	5.8%	(2,563)	(2,447)	4.7%	5,195	4,884	6.4%
	56,508	53,830	5.0%	(18,185)	(17,522)	3.8%	38,323	36,308	5.5%
New Brunswick									
Moncton	27,713	26,249	5.6%	(10,281)	(10,137)	1.4%	17,432	16,112	8.2%
Fredericton	19,619	18,530	5.9%	(6,610)	(6,208)	6.5%	13,009	12,322	5.6%
Saint John	10,262	9,497	8.1%	(3,881)	(3,603)	7.7%	6,381	5,894	8.3%
	57,594	54,276	6.1%	(20,772)	(19,948)	4.1%	36,822	34,328	7.3%
Alberta									
Calgary	11,440	10,604	7.9%	(3,429)	(3,236)	6.0%	8,011	7,368	8.7%
Edmonton	13,116	12,855	2.0%	(4,453)	(4,549)	(2.1)%	8,663	8,306	4.3%
	24,556	23,459	4.7%	(7,882)	(7,785)	1.2%	16,674	15,674	6.4%
Newfoundland and Labrador									
St. John's	10,099	9,550	5.7%	(2,840)	(2,742)	3.6%	7,259	6,808	6.6%
	10,099	9,550	5.7%	(2,840)	(2,742)	3.6%	7,259	6,808	6.6%
British Columbia									
Victoria	8,718	8,676	0.5%	(2,255)	(2,179)	3.5%	6,463	6,497	(0.5)%
	8,718	8,676	0.5%	(2,255)	(2,179)	3.5%	6,463	6,497	(0.5)%
Prince Edward Island									
Charlottetown	771	755	2.1%	(466)	(535)	(12.9)%	305	220	38.6%
	771	755	2.1%	(466)	(535)	(12.9)%	305	220	38.6%
	\$235,145	\$222,062	5.9%	(\$77,579)	(\$74,458)	4.2%	\$157,566	\$147,604	6.7%

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

MHC Results

For the three months ended September 30,

	Total Portfolio			Same Property		
	2025	2024	% Change	2025	2024	% Change
Property revenue	\$7,780	\$7,191	8.2%	\$7,471	\$6,888	8.5%
Property operating expenses	2,359	2,155	9.5%	2,361	2,135	10.6%
NOI	\$5,421	\$5,036	7.6%	\$5,110	\$4,753	7.5%
Operating margin %	69.7%	70.0%	(30) bps	68.4%	69.0%	(60) bps

For the nine months ended September 30,

	Total Portfolio			Same Property		
	2025	2024	% Change	2025	2024	% Change
Property revenue	\$17,773	\$16,607	7.0%	\$17,197	\$15,918	8.0%
Property operating expenses	5,893	5,559	6.0%	5,830	5,404	7.9%
NOI	\$11,880	\$11,048	7.5%	\$11,367	\$10,514	8.1%
Operating margin %	66.8%	66.5%	30 bps	66.1%	66.1%	— bps

Killam's MHC portfolio generated \$5.4 million and \$11.9 million, or 8.0% and 6.2% of Killam's total NOI, for the three and nine months ended September 30, 2025, respectively. The MHC business generates its highest revenue and NOI during the second and third quarters of each year due to the contribution from its nine seasonal resorts that earn approximately 60% of their NOI between July and October. In aggregate, same property NOI from the MHC portfolio grew by 7.5% and 8.1% for the three and nine months ended September 30, 2025. This growth reflects revenue increases of 8.5% and 8.0% for the respective periods, partially offset by higher same property operating expenses, which rose 10.6% and 7.9% compared to the same periods in 2024. The increase in expenses was primarily driven by higher water consumption, elevated electricity costs, and increased salary expenses.

MHC Same Property

For the three months ended September 30,

	Property Revenue			Property Expenses			Net Operating Income		
	2025	2024	% Change	2025	2024	% Change	2025	2024	% Change
Permanent MHCs	\$3,633	\$3,395	7.0%	(\$1,090)	(\$1,014)	7.5%	\$2,543	\$2,381	6.8%
Seasonal resorts	3,838	3,493	9.9%	(1,271)	(1,121)	13.4%	2,567	2,372	8.2%
	\$7,471	\$6,888	8.5%	(\$2,361)	(\$2,135)	10.6%	\$5,110	\$4,753	7.5%

For the nine months ended September 30,

	Property Revenue			Property Expenses			Net Operating Income		
	2025	2024	% Change	2025	2024	% Change	2025	2024	% Change
Permanent MHCs	\$10,935	\$10,134	7.9%	(\$3,441)	(\$3,208)	7.3%	\$7,494	\$6,926	8.2%
Seasonal resorts	6,262	5,784	8.3%	(2,389)	(2,196)	8.8%	3,873	3,588	7.9%
	\$17,197	\$15,918	8.0%	(\$5,830)	(\$5,404)	7.9%	\$11,367	\$10,514	8.1%

For the three and nine months ended September 30, 2025, same property permanent MHCs delivered NOI growth of 6.8% and 8.2%, respectively. Average rent increased 7.5% in Q3-2025 to \$329 per site, up from \$306 in Q3-2024. Occupancy remained strong at 98.3% in the quarter, reflecting a modest 30 bps decline compared to Q3-2024. Revenue and NOI growth were further supported by MHC site expansions and home sales.

Killam's seasonal resort portfolio achieved same property revenue growth of 9.9% and 8.3% for the three and nine months ended September 30, 2025, respectively, compared to the same periods in 2024. Same property seasonal MHCs delivered NOI growth of 8.2% and 7.9% for the respective periods, supported by strong revenue performance. Property expenses increased by 13.4% in the quarter and 8.8% year-to-date, primarily due to higher salary and electricity costs, partially offset by lower repairs and maintenance expenses.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Commercial Results

For the three months ended September 30,

	Total Portfolio			Same Property		
	2025	2024	% Change	2025	2024	% Change
Property revenue	\$5,713	5,454	4.7%	\$5,726	\$5,454	5.0%
Property operating expenses	2,205	2,034	8.4%	2,223	2,059	8.0%
NOI	\$3,508	\$3,420	2.6%	\$3,503	\$3,395	3.2%

For the nine months ended September 30,

	Total Portfolio			Same Property		
	2025	2024	% Change	2025	2024	% Change
Property revenue	\$17,104	\$16,519	3.5%	\$17,051	\$16,235	5.0%
Property operating expenses	6,964	6,623	5.1%	7,029	6,550	7.3%
NOI	\$10,140	\$9,896	2.5%	\$10,022	\$9,685	3.5%

Killam's commercial property portfolio contributed \$3.5 million and \$10.1 million, or 5.2% and 5.3% of Killam's total NOI, for the three and nine months ended September 30, 2025, respectively.

Killam's commercial property portfolio totals 979,649 SF, located in four of Killam's core markets. The commercial portfolio includes Westmount Place, a 300,000 SF retail and office complex in Waterloo; Royalty Crossing, a 410,175 SF shopping mall in PEI where Killam has a 75% interest and is the property manager; the Brewery Market, a 180,000 SF retail and office property in downtown Halifax; as well as other smaller properties located in Halifax, Moncton and Ottawa. Total commercial occupancy was 95.0% in Q3-2025, a 60 bps improvement compared to 94.4% in Q3-2024. Same property results do not include properties that were recently acquired or disposed of, or those that are slated for redevelopment and are not operating as stabilized properties.

The increase in NOI during the three and nine months ended September 30, 2025, relates to increased occupancy coupled with higher rental rates on renewals. In Q3-2025, Killam successfully leased 11,440 SF of commercial space at \$19 per SF and renewed 58,440 SF at a weighted average increase of 19.5%. Year-to-date, Killam has leased 39,880 SF of new space and renewed 92,040 SF of existing tenants for a combined 131,920 SF of commercial activity. Furthermore, expansions and new leasing at Royalty Crossing resulted in an 9.1% increase in property revenue quarter-over-quarter, with additional leasing expected in Q4-2025 and into early 2026.

PART V

Other Income and Expenses and Net Income

Net Income and Other Comprehensive Income

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Net operating income	\$67,785	\$64,416	5.2%	\$190,856	\$179,361	6.4%
Other income	525	795	(34.0)%	1,780	1,800	(1.1)%
Financing costs	(21,680)	(20,326)	6.7%	(62,121)	(59,169)	5.0%
Depreciation	(265)	(260)	1.9%	(802)	(807)	(0.6)%
Administration	(5,193)	(4,929)	5.4%	(16,438)	(14,994)	9.6%
Fair value adjustment on unit-based compensation	750	(841)	(189.2)%	(59)	(489)	(87.9)%
Fair value adjustment on Exchangeable Units	5,515	(14,812)	(137.2)%	(3,204)	(11,226)	(71.5)%
Fair value adjustment on investment properties	(4,793)	51,280	(109.3)%	69,205	253,111	(72.7)%
Loss on disposition	(784)	(1,319)	(40.6)%	(2,310)	(2,232)	3.5%
Income before income taxes	41,860	74,004	(43.4)%	176,907	345,355	(48.8)%
Deferred tax expense	—	(11,272)	(100.0)%	—	(40,930)	(100.0)%
Net income and comprehensive income	\$41,860	\$62,732	(33.3)%	\$176,907	\$304,425	(41.9)%

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Net income and comprehensive income decreased by \$20.9 million and \$127.5 million for the three and nine months ended September 30, 2025, respectively, primarily due to lower fair value gains on investment properties. Killam recognized a \$4.8 million fair value loss in Q3-2025 and \$69.2 million in fair value gains year-to-date, compared to gains of \$51.3 million and \$253.1 million for the same periods in 2024. The decline reflects the stabilization of residential rent growth and vacancy adjustments in select regions. The impact of lower fair value gains was partially offset by a decrease in deferred tax expense of \$11.3 million and \$40.9 million for the three and nine months ended September 30, 2025, respectively. Killam is no longer required to recognize deferred tax expense due to the Arrangement completed in November 2024, as described on page 23, which resulted in the full reversal of Killam's deferred tax liability. NOI increased by \$3.4 million and \$11.5 million, driven by same property NOI growth and contributions from completed developments, which also helped offset this decline. Additionally, net income was impacted by \$6.3 million in unrealized fair value gains and \$3.3 million in fair value losses on the mark-to-market adjustments on Killam's unit-based compensation and Exchangeable Units, compared to fair value losses of \$15.7 million and \$11.7 million for the same periods in 2024. These unrealized fair value adjustments fluctuate quarterly due to fluctuations in the market price of the underlying Killam Trust Units (Trust Units).

Financing Costs

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Mortgage, loan and construction loan interest	\$19,873	\$18,625	6.7%	\$57,167	\$53,590	6.7%
Interest on credit facilities	826	754	9.5%	2,073	2,602	(20.3)%
Interest on Exchangeable Units	605	682	(11.3)%	1,945	2,046	(4.9)%
Amortization of deferred financing costs	1,065	952	11.9%	3,114	2,813	10.7%
Amortization of fair value adjustments on assumed debt	(47)	57	(182.5)%	66	170	(61.2)%
Interest on lease liabilities	126	131	(3.8)%	374	404	(7.4)%
Capitalized interest	(768)	(875)	(12.2)%	(2,618)	(2,456)	6.6%
	\$21,680	\$20,326	6.7%	\$62,121	\$59,169	5.0%

Total financing costs increased \$1.4 million, or 6.7%, for the three months ended September 30, 2025, compared to Q3-2024, and by \$3.0 million, or 5.0%, for the nine months ended September 30, 2025, compared to the same period in 2024. The increases were primarily driven by higher interest rates on refinancings. Mortgage, loan and construction loan interest expense was \$19.9 million and \$57.2 million for the three and nine months ended September 30, 2025, respectively, representing increases of \$1.2 million and \$3.6 million, or 6.7% for each period, compared to the same periods in 2024.

Killam's mortgage, loan and construction loan liability balance increased by \$62.0 million over the past 12 months, as Killam upfinanced maturing mortgages within its existing portfolio, completed the acquisition of \$168.8 million in assets and advanced its development projects with construction financing. These increases were partially offset by on-going principal repayments and the repayment of mortgages associated with properties sold during 2024 and 2025.

The average interest rate on refinancings for the nine months ended September 30, 2025, was 3.59%, 146 bps higher than the average interest rate on expiring debt.

Interest on credit facilities increased \$0.1 million, or 9.5%, for the three months ended September 30, 2025, and decreased by \$0.5 million, or 20.3%, for the nine months ended September 30, 2025, compared to the same periods in 2024. The year-to-date decrease reflects a lower average balance and lower average interest rate on the credit facility during the first half of 2025, while the quarterly increase is attributable to a higher facility balance used to fund recent acquisitions.

Deferred financing costs include mortgage assumption and application fees, as well as legal costs related to financings and refinancings. These costs are amortized over the term of the respective mortgage, and CMHC insurance fees are amortized over the amortization period of the mortgage. This expense may fluctuate annually with refinancings.

Capitalized interest decreased 12.2% for the three months ended September 30, 2025, and increased 6.6% for the nine months ended September 30, 2025, compared to the same periods in 2024. The year-to-date increase was primarily driven by a greater number of ongoing development projects during the first half of 2025, and the decline in Q3-2025 relates to the completion of The Carrick in July 2025. Capitalized interest will vary depending on the number of development projects underway and their stages in the development cycle. Interest costs associated with development projects are capitalized to the respective development property until substantial completion.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Administration Expenses

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Administration	\$5,193	\$4,929	5.4%	\$16,438	\$14,994	9.6%
As a percentage of total revenue	5.2%	5.2%	— bps	5.7%	5.5%	20 bps

Administration expenses include expenses that are not specific to individual properties, including Toronto Stock Exchange (TSX)-related costs, Management and head office salaries and benefits, marketing costs, office equipment leases, professional fees, and other head office and regional office expenses.

For the three and nine months ended September 30, 2025, total administration expenses increased by \$0.3 million and \$1.4 million, or 5.4% and 9.6%, respectively, compared to the same periods in 2024. Administration expenses represented 5.2% of total revenue in Q3-2025, consistent with Q3-2024. The increases were primarily driven by higher compensation-related costs, specifically increased costs associated with performance- and non-performance-based Restricted Trust Unit (RTU) grants, increased travel expenses, and further investment in cybersecurity initiatives.

Fair Value Adjustments

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Investment properties	(\$4,793)	\$51,280	(109.3)%	\$69,205	\$253,111	(72.7)%
Deferred unit-based compensation	750	(841)	(189.2)%	(59)	(489)	(87.9)%
Exchangeable Units	5,515	(14,812)	(137.2)%	(3,204)	(11,226)	(71.5)%
	\$1,472	\$35,627	(95.9)%	\$65,942	\$241,396	(72.7)%

Killam recognized fair value losses of \$4.8 million and fair value gains of \$69.2 million related to its investment properties for the three and nine months ended September 30, 2025, respectively, compared to fair value gains of \$51.3 million and \$253.1 million for the same periods in 2024. The fair value loss recognized in Q3-2025 reflects the impact of stabilizing market rents and increased vacancy assumptions in select regions.

RTUs governed by Killam's RTU Plan are awarded to certain members of Management as a portion of their compensation. Non-executive members of the Board of Trustees have the right to receive a percentage of their annual retainer in the form of RTUs. This aligns the interests of Management and the Trustees with those of unitholders. For the three and nine months ended September 30, 2025, there was an unrealized fair value gain of \$0.8 million and fair value loss of \$0.1 million, compared to fair value losses of \$0.8 million and \$0.5 million for the three and nine months ended September 30, 2024, due to fluctuations in the market price of the underlying Trust Units.

Distributions paid on Exchangeable Units are consistent with distributions paid to holders of Trust Units. The Exchangeable Units are Class B limited partnership units of Killam Apartment Limited Partnership. Exchangeable Units are intended to be economically equivalent to and are redeemable on a one-for-one basis for Trust Units at the option of the holder and are accompanied by Special Voting Units of the Trust (Special Voting Units) that provide their holders with equivalent voting rights to holders of Trust Units. The fair value of the Exchangeable Units is based on the trading price of Trust Units. For the three and nine months ended September 30, 2025, Killam recorded an unrealized gain on remeasurement of \$5.5 million and unrealized loss of \$3.2 million, respectively, compared to unrealized losses of \$14.8 million and \$11.2 million for the same periods in 2024. The unrealized gain in the quarter reflects a decrease in Killam's unit price as at September 30, 2025, compared to June 30, 2025.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Deferred Tax Expense

Three months ended September 30,			Nine months ended September 30,		
2025	2024	% Change	2025	2024	% Change
\$—	\$11,272	(100.0)%	\$—	\$40,930	(100.0)%

Killam converted to a real estate investment trust (REIT) effective January 1, 2016, and as such qualifies as a REIT pursuant to the Tax Act. The Tax Act contains legislation affecting the tax treatment of publicly traded trusts (the "SIFT Legislation") and the criteria for qualifying for the real estate investment trust exemption (the "REIT Exemption"), which would exempt Killam from income tax under the SIFT Legislation. If Killam fails to distribute the required amount of income to unitholders or if Killam fails to qualify as a REIT under the Tax Act, substantial adverse tax consequences may occur. Management operates Killam in a manner that enables Killam to continually qualify as a REIT and expects to distribute all of its taxable income to unitholders, and therefore is entitled to deduct such distributions for income tax purposes.

On November 21, 2024, holders of Killam's Trust Units and Special Voting Units, voting together as a single class, approved the Arrangement, an internal reorganization that was accomplished by way of a plan of arrangement. The Arrangement became effective on November 30, 2024, and removed Killam Properties Inc. (KPI), a wholly owned subsidiary of the Trust, from Killam's organizational structure, such that the Trust no longer holds any properties partially through KPI. As a result, the Trust no longer has any corporate subsidiaries that are subject to income taxes, and the full reversal of the deferred tax liabilities was recognized in the consolidated statement of income and comprehensive income in the year ended December 31, 2024. The REIT received an advance tax ruling from the Canada Revenue Agency in connection with the Arrangement.

PART VI

Per Unit Calculations

As Killam is an open-ended mutual fund trust, unitholders may redeem their Trust Units, subject to certain restrictions. As a result, Killam's Trust Units are classified as financial liabilities under IFRS Accounting Standards. Consequently, all per unit calculations are considered non-IFRS financial measures. The following table reconciles the number of units used in the calculation of non-IFRS financial measures on a per unit basis:

	Weighted Average Number of Units (000s)						Outstanding Number of Units (000s) as at September 30, 2025
	Three months ended September 30,			Nine months ended September 30,			
	2025	2024	% Change	2025	2024	% Change	
Trust Units	121,084	119,163	1.6%	120,475	118,839	1.4%	121,258
Exchangeable Units	3,363	3,898	(13.7)%	3,610	3,898	(7.4)%	3,363
Basic number of units	124,447	123,061	1.1%	124,085	122,737	1.1%	124,621
Plus:							
Units under RTU Plan ⁽¹⁾	298	233	27.9%	286	226	26.5%	—
Diluted number of units	124,745	123,294	1.2%	124,371	122,963	1.1%	124,621

(1) Units are shown on an after-tax basis. RTUs are net of attributable personal taxes when converted to REIT Units.

As at November 5, 2025, 121,365,271 Trust Units and 3,362,958 Exchangeable Units were outstanding.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Funds from Operations

FFO is recognized as an industry-wide standard measure of a real estate entity's operating performance, and Management considers FFO per unit to be a key measure of operating performance. REALPAC, Canada's senior national industry association for owners and managers of investment real estate, has recommended guidelines for a standard industry calculation of FFO based on IFRS Accounting Standards. Killam calculates FFO in accordance with the REALPAC definition. Notwithstanding the foregoing, FFO does not have a standardized meaning under IFRS Accounting Standards and is considered a non-IFRS financial measure; therefore, it may not be comparable to similarly titled measures presented by other publicly traded companies. FFO for the three and nine months ended September 30, 2025 and 2024, are calculated as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Net income	\$41,860	\$62,732	(33.3)%	\$176,907	\$304,425	(41.9)%
Fair value adjustments	(1,472)	(35,627)	(95.9)%	(65,942)	(241,396)	(72.7)%
Internal commercial leasing costs	75	60	25.0%	225	195	15.4%
Deferred tax expense	—	11,272	(100.0)%	—	40,930	(100.0)%
Interest expense on Exchangeable Units	605	682	(11.3)%	1,945	2,046	(4.9)%
Loss on disposition	784	1,319	(40.6)%	2,310	2,232	3.5%
Depreciation on owner-occupied building	24	24	—%	70	72	(2.8)%
Change in principal related to lease liabilities	1	6	(83.3)%	2	17	(88.2)%
FFO	\$41,877	\$40,468	3.5%	\$115,517	\$108,521	6.4%
FFO per unit – diluted	\$0.34	\$0.33	3.0%	\$0.93	\$0.88	5.7%
FFO payout ratio – diluted	53%	53%	— bps	58%	60%	(200) bps
Weighted average number of units – diluted (000s)	124,745	123,294	1.2%	124,371	122,963	1.1%

Killam earned FFO of \$41.9 million, or \$0.34 per unit (diluted), for the three months ended September 30, 2025, compared to \$40.5 million, or \$0.33 per unit (diluted), for the same period in 2024. Killam earned FFO of \$115.5 million, or \$0.93 per unit (diluted), for the nine months ended September 30, 2025, compared to \$108.5 million, or \$0.88 per unit (diluted), for the same period in 2024.

The increase in FFO per unit was primarily driven by same property NOI growth and the lease-up of recently completed developments. These gains were partially offset by higher interest expense, increased administrative costs, and a slight increase in the weighted average number of units outstanding.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Adjusted Funds from Operations

AFFO is a non-IFRS financial measure used by real estate analysts and investors to assess FFO after taking into consideration capital invested to maintain the earning capacity of a portfolio. AFFO may not be comparable to similar measures presented by other real estate trusts or companies. Management believes that significant judgment is required to determine the annual capital expenditures that relate to maintaining the earning capacity of an asset, compared to the capital expenditures that generate higher rents or more efficient operations.

Killam uses a rolling three-year historical average of actual maintenance capex for its apartment and MHC portfolios to calculate AFFO. For 2024, this included a maintenance capex reserve of \$1,100 per apartment unit, \$310 per MHC site and \$1.10 per SF for commercial properties. Details regarding the maintenance capex calculations are included in Killam's MD&A for the year ended December 31, 2024. The same reserves have been applied in 2025, and these amounts will be updated at year-end based on the revised three-year averages.

The weighted average number of units, MHC sites and square footage owned during the quarter were used to determine the capital adjustment applied to FFO to calculate AFFO:

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024 ⁽¹⁾	% Change	2025	2024 ⁽¹⁾	% Change
FFO	\$41,877	\$40,468	3.5%	\$115,517	\$108,521	6.4%
Maintenance capital expenditures	(5,509)	(5,669)	(2.8)%	(16,711)	(17,042)	(1.9)%
Commercial straight-line rent adjustment	(10)	(21)	(52.4)%	(75)	(102)	(26.5)%
Internal and external commercial leasing costs	(140)	(54)	159.3%	(323)	(228)	41.7%
AFFO	\$36,218	\$34,724	4.3%	\$98,408	\$91,149	8.0%
AFFO per unit – diluted	\$0.29	\$0.28	3.6%	\$0.79	\$0.74	6.8%
AFFO payout ratio – diluted	62%	62%	— bps	68%	71%	(300) bps
AFFO payout ratio – rolling 12 months ⁽²⁾	69%	72%	(300) bps			
Weighted average number of units – diluted (000s)	124,745	123,294	1.2%	124,371	122,963	1.1%

(1) The maintenance capital expenditures for the three and nine months ended September 30, 2024, were updated to reflect the maintenance capex reserve of \$1,100 per apartment unit, \$310 per MHC site and \$1.10 per SF for commercial properties that were used in the calculation for the 12 months ended December 31, 2024.

(2) Based on Killam's annual distribution of \$0.71833 for the 12-month period ended September 30, 2025, and \$0.69996 for the 12-month period ended September 30, 2024.

The payout ratio of 62% in Q3-2025, compared to the rolling 12-month payout ratio of 69%, corresponds with the seasonality of Killam's business. Killam's first quarter typically has the highest payout ratio due to the lower operating margin from higher heating costs in the winter months. In addition, the MHC portfolio typically generates its highest revenue and NOI during the second and third quarters of the year due to the contribution from its seasonal resorts that generate approximately 60% of their NOI between July and October each year.

Killam recognized AFFO per unit (diluted) of \$0.29 in Q3-2025, representing a 3.6% increase compared to Q3-2024, and \$0.79 year-to-date, up 6.8% from the same period in 2024. This growth was driven by increases in same property NOI and contributions from recently completed developments. The reduction in the maintenance capital expenditures in both the quarter and year-to-date reflects the impact of Killam's capital recycling program.

The AFFO payout ratio remained consistent quarter-over-quarter and improved 300 bps year-to-date compared to the same period in 2024, supported by AFFO growth of 4.3% and 8.0%, respectively. These gains were partially offset by the 2.9% increase in Killam's monthly distribution, which rose from \$0.05833 per unit to \$0.06000 per unit, effective with the November 2024 distribution increase.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Adjusted Cash Flow from Operations

ACFO is a non-IFRS financial measure and was introduced in REALPAC's February 2017 *White Paper on Adjusted Cash Flow from Operations (ACFO) for IFRS* as a sustainable economic cash flow metric. Upon review of REALPAC's white paper, Management incorporated ACFO as a useful measure to evaluate Killam's ability to fund distributions to unitholders. ACFO should not be construed as an alternative to cash flows provided by or used in operating activities determined in accordance with IFRS Accounting Standards.

Killam calculates ACFO in accordance with the REALPAC definition, but this may differ from other REITs' methods and, accordingly, may not be comparable to ACFO reported by other issuers. ACFO is adjusted each quarter for fluctuations in non-cash working capital not indicative of sustainable cash flows, including prepaid property taxes, prepaid insurance and construction holdbacks related to developments. ACFO is also adjusted quarterly for capital expenditure accruals, which are not related to sustainable operating activities.

A reconciliation from cash provided by operating activities (refer to the condensed consolidated interim statements of cash flows for the three and nine months ended September 30, 2025 and 2024) to ACFO is as follows:

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024 ⁽¹⁾	% Change	2025	2024 ⁽¹⁾	% Change
Cash provided by operating activities	\$37,576	\$39,256	(4.3)%	\$94,004	\$99,354	(5.4)%
Adjustments:						
Changes in non-cash working capital not indicative of sustainable cash flows	5,468	2,217	146.6%	23,821	14,041	69.7%
Maintenance capital expenditures	(5,509)	(5,669)	(2.8)%	(16,711)	(17,042)	(1.9)%
External commercial leasing costs	(91)	(15)	506.7%	(177)	(97)	82.5%
Amortization of deferred financing costs	(1,065)	(952)	11.9%	(3,114)	(2,813)	10.7%
Interest expense related to lease liability	(126)	(131)	(3.8)%	(374)	(404)	(7.4)%
ACFO	\$36,253	\$34,706	4.5%	\$97,449	\$93,039	4.7%
Distributions declared ⁽²⁾	22,707	21,805	4.1%	67,938	65,245	4.1%
Excess of ACFO over cash distributions	\$13,546	\$12,901	5.0%	\$29,511	\$27,794	6.2%
ACFO payout ratio – diluted	63%	63%	— bps	70%	70%	— bps

(1) The maintenance capital expenditures for the three and nine months ended September 30, 2024, were updated to reflect the maintenance capex reserve of \$1,100 per apartment unit, \$310 per MHC site and \$1.10 per SF for commercial properties that were used in the calculation for the 12 months ended December 31, 2024.

(2) Includes distributions on Trust Units, Exchangeable Units and RTUs, as summarized on page 38.

Killam's ACFO payout ratio is 63% and 70% for the three and nine months ended September 30, 2025, respectively, consistent with the same periods in 2024. Similar to the AFFO payout ratio, Killam's first quarter typically has the highest ACFO payout ratio due to the lower operating margin in the period. This is driven by higher heating costs in the winter and the fact that the MHC portfolio typically generates its highest revenue and NOI during the second and third quarters of the year.

Cash Provided by Operating Activities and Distributions Declared

In accordance with the guidelines set out in National Policy 41-201, "Income Trusts and Other Indirect Offerings," the following table outlines the differences between cash provided by operating activities and total distributions declared, as well as the differences between net income and total distributions.

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net income	\$41,860	\$62,732	\$176,907	\$304,425
Cash provided by operating activities	\$37,576	\$39,256	\$94,004	\$99,354
Total distributions declared	\$22,707	\$21,805	\$67,938	\$65,245
Excess of net income over total distributions declared	\$19,153	\$40,927	\$108,969	\$239,180
Excess of net income over net distributions paid ⁽¹⁾	\$25,442	\$46,962	\$128,378	\$257,251
Excess of cash provided by operating activities over total distributions declared	\$14,869	\$17,451	\$26,066	\$34,109

(1) Killam has a distribution reinvestment plan (DRIP) that allows unitholders to elect to have all cash distributions from the Trust reinvested in additional units.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

PART VII

Liquidity and Capital Resources

Management oversees Killam's liquidity to fund major property maintenance and improvements, debt principal and interest payments, distributions to unitholders, and property acquisitions and developments. Killam's sources of capital include: (i) cash flows generated from operating activities; (ii) cash inflows from mortgage refinancings; (iii) mortgage debt secured by investment properties; (iv) credit facilities with two Canadian chartered banks; and (v) equity issuances.

Management expects to have sufficient liquidity for the foreseeable future based on its evaluation of the following capital resources:

- (i) Cash flows from operating activities are expected to be sufficient to fund the current level of distributions and maintenance capex.
- (ii) Killam currently has capacity of approximately \$140.0 million of capital under its credit facilities and cash on hand.
- (iii) Mortgage refinancings and construction loans are expected to be sufficient to fund value-enhancing capex, principal repayments and developments. Killam has \$131.5 million of mortgage debt scheduled for refinancing in the remainder of 2025, which is expected to lead to upfinancing opportunities of \$35.0—\$40.0 million.
- (iv) Upcoming mortgage maturities are expected to be renewed through Killam's mortgage program.
- (v) Killam has unencumbered assets of approximately \$230.0 million, on which debt could be placed.

Killam is in compliance with all financial covenants contained in the DOT and through its credit facilities. Under the DOT, total indebtedness of Killam is limited to 70% of GBV, determined as the greater of (i) the value of Killam's assets as shown on the most recent condensed consolidated interim statement of financial position, and (ii) the historical cost of Killam's assets. Total debt as a percentage of total assets as at September 30, 2025, was 40.5%.

Killam has financial covenants on its credit facilities. The covenants require Killam to maintain a leverage limit of not more than 70% of debt to total assets, debt to service coverage of not less than 1.3 times and unitholders' equity of not less than \$900.0 million. As at November 5, 2025, Killam was in compliance with said covenants.

The table below outlines Killam's key debt metrics:

As at	September 30, 2025	December 31, 2024	Change
Weighted average years to debt maturity	3.6	4.0	(0.4) years
Total debt as a percentage of total assets	40.5%	40.4%	10 bps
Interest coverage	2.96x	2.94x	0.7%
Debt service coverage	1.59x	1.55x	2.6%
Debt to normalized EBITDA ⁽¹⁾	9.68x	9.69x	(0.1)%
Weighted average mortgage interest rate	3.56%	3.45%	11 bps
Weighted average interest rate of total debt	3.60%	3.51%	9 bps

(1) Ratio calculated net of cash.

Killam's primary measure of capital management is the total debt as a percentage of total assets ratio. The calculation of the total debt as a percentage of total assets is summarized as follows:

As at	September 30, 2025	December 31, 2024
Mortgages and loans payable	\$2,214,291	\$2,139,143
Credit facilities	67,271	54,738
Construction loans	5,227	—
Total interest-bearing debt	\$2,286,789	\$2,193,881
Total assets ⁽¹⁾	\$5,640,711	\$5,428,715
Total debt as a percentage of total assets	40.5%	40.4%

(1) Excludes right-of-use asset of \$11.2 million as at September 30, 2025 (December 31, 2024 — \$11.6 million).

Total debt as a percentage of total assets was 40.5% as at September 30, 2025, up slightly from 40.4% as at December 31, 2024. Management is focused on maintaining conservative debt levels. Total debt to total assets is sensitive to changes in the fair value of investment properties, in particular cap rate changes and NOI growth.

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The quantitative sensitivity analysis shown below illustrates the value increase or decrease in Killam's debt to total assets ratio given the change in the noted input (cap rate sensitivity). This analysis excludes the impact of any change in NOI growth.

Cap Rate Sensitivity Increase (Decrease)	Fair Value of Investment Properties ⁽¹⁾	Total Assets	Total Debt as % of Total Assets	Change (bps)
(0.50)%	\$6,231,802	\$6,284,402	36.4%	(410)
(0.25)%	\$5,888,446	\$5,941,045	38.5%	(200)
—%	\$5,588,112	\$5,640,711	40.5%	—
0.25%	\$5,306,259	\$5,358,859	42.7%	210
0.50%	\$5,057,304	\$5,109,903	44.8%	430

(1) The cap rate sensitivity calculates the impact on Killam's apartment and MHC portfolios, which are valued using the direct income capitalization method, and Killam's commercial portfolio, which is valued using the discounted cash flow (DCF) method. The sensitivity for commercial assets is calculated using an implied cap rate based on the stabilized net operating income (SNOI) of the properties.

Normalized Adjusted EBITDA

The following table reconciles Killam's net income to normalized adjusted EBITDA for the 12 months ended September 30, 2025, and December 31, 2024:

12 months ended,	September 30, 2025	December 31, 2024	% Change
Net income	\$540,326	\$667,844	(19.1)%
Deferred tax recovery	(319,904)	(278,975)	14.7%
Financing costs	82,663	79,712	3.7%
Depreciation	1,060	1,065	(0.5)%
Loss on disposition	3,756	3,678	2.1%
Restructuring costs	5,904	5,904	—%
Fair value adjustment on unit-based compensation	(1,360)	(931)	46.1%
Fair value adjustment on Exchangeable Units	(11,375)	(3,352)	239.3%
Fair value adjustment on investment properties	(68,456)	(252,361)	(72.9)%
Adjusted EBITDA	232,614	222,584	4.5%
Normalizing adjustment ⁽¹⁾	2,616	2,352	11.2%
Normalized adjusted EBITDA	\$235,230	\$224,936	4.6%
Total interest-bearing debt	\$2,286,789	\$2,193,881	4.2%
Cash and cash equivalents	(9,416)	(13,211)	(28.7)%
Net debt	\$2,277,373	\$2,180,670	4.4%
Debt to normalized adjusted EBITDA	9.68x	9.69x	(0.1)%

(1) Killam's normalizing adjustment includes NOI adjustments for recently completed acquisitions, dispositions and developments to account for the difference between NOI booked in the period and stabilized NOI over the next 12 months.

Interest and Debt Service Coverage

Rolling 12 months ending,	September 30, 2025	December 31, 2024	% Change
NOI	\$251,975	\$240,481	4.8%
Other income	2,365	2,385	(0.8)%
Administration	(21,726)	(20,282)	7.1%
Adjusted EBITDA	232,614	222,584	4.5%
Interest expense ⁽¹⁾	78,653	75,605	4.0%
Interest coverage ratio	2.96x	2.94x	0.7%
Principal repayments	67,577	67,578	—%
Interest expense	78,653	75,605	4.0%
Debt service coverage ratio	1.59x	1.55x	2.6%

(1) Interest expense includes mortgage, loan and construction loan interest and interest on credit facilities, as presented in note 16 to the condensed consolidated interim financial statements.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Mortgages and Other Loans

Killam's long-term debt consists of fixed-rate, long-term mortgages. Mortgages are secured by a first or second charge against individual properties. Killam's weighted average interest rate on mortgages as at September 30, 2025, was 3.56%, an 11 bps increase compared to the rate as at December 31, 2024.

Refinancings

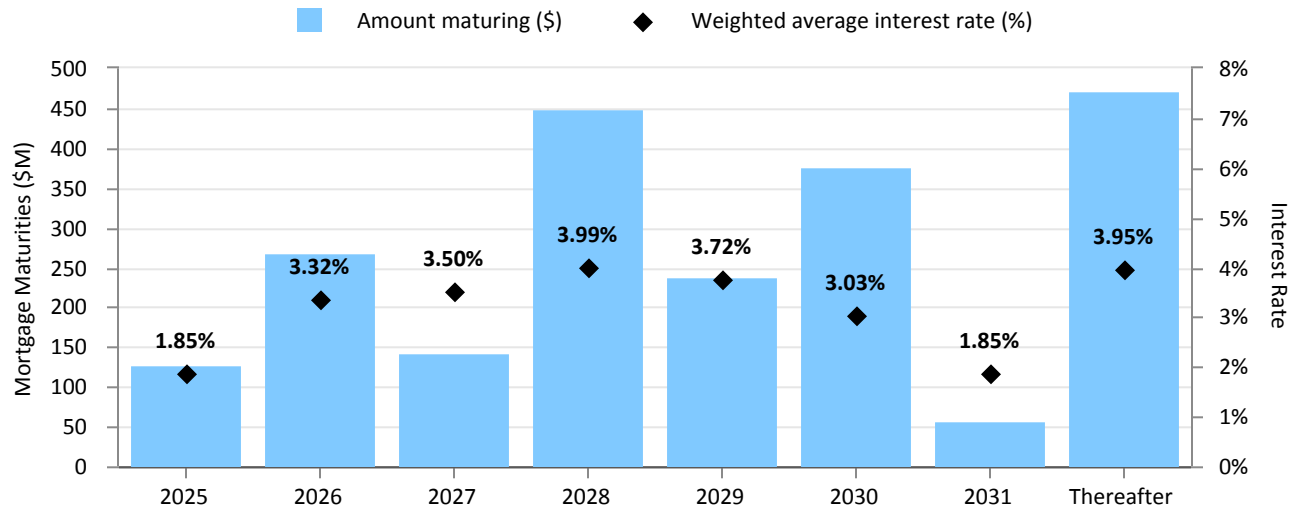
For the nine months ended September 30, 2025, Killam refinanced the following mortgages:

	Mortgage Debt Maturities		Mortgage Debt on Refinancing		Weighted Average Term	Net Proceeds
Apartments	\$157,954	2.13%	\$242,904	3.59%	4.6 years	\$84,950
	\$157,954	2.13%	\$242,904	3.59%	4.6 years	\$84,950

The following table details the maturity dates and average interest rates of mortgage and vendor debt, and the percentage of apartment mortgages that are CMHC insured by year of maturity:

Year of Maturity	Apartments			MHCs and Commercial		Total	
	Balance September 30	Weighted Avg Int. Rate %	% CMHC Insured	Balance September 30	Weighted Avg Int. Rate %	Balance September 30	Weighted Avg Int. Rate %
2025	\$128,357	1.85%	44.4%	\$3,666	2.27%	\$132,023	1.86%
2026	269,273	3.32%	58.3%	4,820	2.65%	274,093	3.31%
2027	142,779	3.50%	74.7%	40,975	5.13%	183,754	3.86%
2028	448,897	3.99%	95.6%	34,368	5.52%	483,265	4.10%
2029	239,391	3.72%	95.3%	43,152	4.92%	282,543	3.91%
Thereafter	907,433	3.44%	100.0%	3,678	3.31%	911,111	3.44%
	\$2,136,130	3.48%	88.3%	\$130,659	4.94%	\$2,266,789	3.56%

Apartment Mortgage Maturities by Year



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Dollar amounts in thousands of Canadian dollars (except as noted)

Access to mortgage debt is essential in refinancing maturing debt and financing acquisitions. Management has diversified Killam's mortgages to avoid dependence on any one lending institution and has staggered maturity dates to manage interest rate risk. Management anticipates continued access to mortgage debt for both acquisitions and refinancings. Access to CMHC-insured financing gives apartment owners an advantage over other asset classes, as lenders are provided a government guarantee and, therefore, are able to lend at more favourable rates.

As at September 30, 2025, approximately 88.3% of Killam's apartment mortgages were CMHC insured (83.2% of total mortgages, as MHC and commercial mortgages are not eligible for CMHC insurance) (December 31, 2024 — 83.0% and 77.3%). The weighted average interest rate on the CMHC-insured mortgages was 3.40% as at September 30, 2025 (December 31, 2024 — 3.32%).

The following tables present the NOI for properties that are available to Killam to refinance at debt maturity in the remainder of 2025 and 2026:

Remaining 2025 Debt Maturities	Number of Properties	Estimated NOI	Principal Balance (at maturity)
Apartments with debt maturing	19	\$14,727	\$127,883
MHCs and commercial with debt maturing	2	550	3,632
	21	\$15,277	\$131,515

2026 Debt Maturities	Number of Properties	Estimated NOI	Principal Balance (at maturity)
Apartments with debt maturing	34	\$35,725	\$260,369
MHCs and commercial with debt maturing	2	892	4,638
	36	\$36,617	\$265,007

Future Contractual Debt Obligations

As at September 30, 2025, the timing of Killam's future contractual debt obligations is as follows:

For the 12 months ending September 30,	Mortgages and Loans Payable	Construction Loans	Credit Facilities	Lease Liabilities	Total
2026	\$364,958	\$5,227	\$67,271	\$671	\$438,127
2027	252,131	—	—	715	252,846
2028	392,487	—	—	673	393,160
2029	335,658	—	—	76	335,734
2030	367,683	—	—	38	367,721
Thereafter	553,872	—	—	9,508	563,380
	\$2,266,789	\$5,227	\$67,271	\$11,681	\$2,350,968

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Dollar amounts in thousands of Canadian dollars (except as noted)

Credit Facilities

Killam has access to two credit facilities with credit limits of \$155.0 million (\$175.0 million with the accordion feature) and \$25.0 million (December 31, 2024 – \$155.0 million [\$175.0 million with the accordion feature] and \$25.0 million) that can be used for acquisition and general business purposes.

The \$155.0 million facility bears interest at 155 bps over the Canadian Overnight Repo Rate Average. The facility includes a \$30.0 million demand revolver and a \$125.0 million committed revolver, as well as an accordion option to increase the \$155.0 million facility by an additional \$20.0 million. The agreement includes certain covenants and undertakings with which Killam was in compliance as at September 30, 2025. This facility matures December 19, 2025, and Killam expects to renew the facility in advance of the maturity date.

The \$25.0 million demand facility bears interest at prime plus 75 bps on advances and 135 bps on issuance of letters of credit, in addition to 50 bps per annum. The agreement includes certain covenants and undertakings with which Killam was in compliance as at September 30, 2025.

As at September 30, 2025	Maximum Loan Amount ⁽¹⁾	Amount Drawn	Letters of Credit	Amount Available
\$155.0 million facility	\$175,000	\$50,000	\$—	\$125,000
\$25.0 million facility	25,000	17,271	1,683	6,046
Total	\$200,000	\$67,271	\$1,683	\$131,046

As at December 31, 2024	Maximum Loan Amount ⁽¹⁾	Amount Drawn	Letters of Credit	Amount Available
\$155.0 million facility	\$175,000	\$35,000	\$—	\$140,000
\$25.0 million facility	25,000	19,738	1,215	4,047
Total	\$200,000	\$54,738	\$1,215	\$144,047

(1) Maximum loan includes a \$20.0 million accordion option, for which collateral is pledged.

Construction Loans

As at September 30, 2025, Killam had access to one variable-rate construction loan totalling \$26.2 million (December 31, 2024 – \$nil). As at September 30, 2025, \$5.2 million (December 31, 2024 – \$nil) was drawn on this facility. Payments are made monthly on an interest-only basis during the construction period. The weighted average contractual interest rate on amounts outstanding as at September 30, 2025, was 4.54% (December 31, 2024 – nil). Once construction is complete and rental targets are achieved, the loan is expected to be repaid in full and replaced with a conventional mortgage.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Investment Properties

As at

	September 30, 2025	December 31, 2024	% Change
Investment properties	\$5,465,750	\$5,225,102	4.6%
Investment properties under construction (IPUC)	48,654	91,114	(46.6)%
Land for development	73,708	68,504	7.6%
	\$5,588,112	\$5,384,720	3.8%

Continuity of Investment Properties

As at

	September 30, 2025	December 31, 2024	% Change
Balance, beginning of period	\$5,225,102	\$4,921,892	6.2%
Fair value adjustment – Apartments	84,003	244,499	(65.6)%
Fair value adjustment – MHCs	2,784	10,799	(74.2)%
Fair value adjustment – Commercial	(11,246)	(6,052)	85.8%
Acquisitions	170,391	15,025	1,034.0%
Dispositions	(142,451)	(54,263)	162.5%
Capital expenditures and development costs ⁽¹⁾	53,602	90,107	(40.5)%
Transfer from IPUC	83,565	—	N/A
Transfer to land for development	—	(860)	(100.0)%
Transfer from inventory	—	3,955	(100.0)%
Balance, end of period	\$5,465,750	\$5,225,102	4.6%

(1) Development costs are costs incurred related to development projects subsequent to when they were transferred from IPUC to investment properties.

Killam reviewed its valuation of investment properties as at September 30, 2025, assessing the impact of cap rates, rental rate growth and occupancy assumptions. Each quarter, Killam also obtains external valuations from third-party valuation professionals for select properties across different geographic markets within its portfolio to corroborate internal valuations. Obtaining external valuations provides additional comfort with the reasonableness of Killam's internal valuation methodology and assumptions applied across various regions. It is not possible to forecast with certainty the duration and full scope of economic impacts and other consequential changes on Killam's business and operations, both in the short term and in the long term. The fair value gains on Killam's apartment portfolio recognized year-to-date are supported by NOI growth, partially offset by the expansion of cap rates in select regions.

The key valuation assumption in the determination of fair market value, using the direct capitalization method, is the cap rate. A summary of the high, low and weighted average cap rates used in the valuation models as at September 30, 2025 and 2024, and December 31, 2024, is as follows:

Capitalization Rates

	September 30, 2025			December 31, 2024			September 30, 2024		
	Low	High	Effective Weighted Average	Low	High	Effective Weighted Average	Low	High	Effective Weighted Average
Apartments	4.00%	6.20%	4.61%	4.00%	6.50%	4.62%	4.00%	6.50%	4.61%
Halifax	4.20%	6.10%	4.58%	4.00%	5.70%	4.52%	4.00%	5.70%	4.52%
Ontario	4.00%	5.00%	4.17%	4.00%	5.00%	4.13%	4.00%	5.00%	4.10%
Moncton	4.25%	6.20%	5.07%	4.25%	5.65%	5.04%	4.25%	5.50%	5.03%
Fredericton	4.95%	5.50%	5.21%	5.10%	5.35%	5.20%	5.10%	5.35%	5.20%
Saint John	5.25%	5.35%	5.33%	5.25%	5.35%	5.33%	5.25%	5.35%	5.33%
Alberta	4.75%	5.00%	4.83%	4.75%	5.00%	4.80%	4.75%	5.00%	4.80%
St. John's	5.25%	5.75%	5.54%	5.25%	6.50%	5.61%	5.25%	6.50%	5.61%
British Columbia	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Charlottetown	5.60%	5.85%	5.67%	5.35%	5.85%	5.67%	5.25%	5.75%	5.57%
MHCs	5.50%	6.75%	6.00%	5.50%	6.75%	6.02%	5.50%	6.75%	6.03%

Killam's weighted average cap rates as at September 30, 2025, were 4.61% for its apartment portfolio and 6.00% for its MHC portfolio. Compared to December 31, 2024, the weighted average apartment cap rate decreased by 1 bps, while the weighted average MHC cap rate decreased by 2 bps.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Fair Value Sensitivity

The following table summarizes the impact of changes in capitalization rates and stabilized NOI on the fair value of Killam's investment properties:

		Change in Stabilized NOI ⁽¹⁾				
		(2.00)%	(1.00)%	— %	1.00%	2.00%
Change in Capitalization Rate	(0.50)%	527,813	588,907	650,002	711,096	772,191
	(0.25)%	191,324	248,984	306,645	364,306	421,967
	—%	(109,189)	(54,594)	—	54,594	109,189
	0.25%	(379,219)	(327,380)	(275,541)	(223,702)	(171,863)
	0.50%	(623,195)	(573,846)	(524,497)	(475,147)	(425,798)

(1) Includes Killam's apartment and MHC portfolios, which are valued using the direct income capitalization method, and Killam's commercial portfolio, which is valued using the DCF approach. The sensitivity for commercial assets is calculated using an implied capitalization rate based on the SNOI of the properties.

2025 Acquisitions

Property	Location	Acquisition Date	Ownership Interest	Property Type	Units	Purchase Price ⁽¹⁾	Mortgages Assumed
Ashley Apartments ⁽²⁾	Fredericton, NB	22-Jul-25	100%	Apartment	114	\$28,700	\$15,810
Gloucester City Centre Block 8	Ottawa, ON	28-Jul-25	50%	Commercial	N/A	1,400	—
Gloucester City Centre Block 3 & 7	Ottawa, ON	30-Jul-25	50%	Land for development	N/A	2,680	—
Frontier ⁽³⁾	Ottawa, ON	30-Jul-25	50%	Apartment	114	48,100	24,980
Latitude ⁽³⁾	Ottawa, ON	30-Jul-25	50%	Apartment	104	47,700	30,020
Luma ⁽³⁾⁽⁴⁾	Ottawa, ON	30-Jul-25	50%	Apartment	84	40,200	23,750
Total Acquisitions					416	\$168,780	\$94,560

(1) Purchase price does not include transaction costs.

(2) Ashley Apartments comprises three separate buildings.

(3) Killam acquired the remaining 50% ownership interest in these three apartment properties located in Ottawa, ON, previously held through a joint operation. The units noted above reflect 50% of the total units at each property.

(4) The purchase of the remaining 50% ownership interest in Luma included an additional 4,960 SF of ancillary commercial space.

2025 Dispositions

Property	Location	Disposition Date	Ownership Interest	Property Type	Units/Sites	Sale Price	Net Cash Proceeds ⁽¹⁾
425 5 St SW ⁽²⁾	Calgary, AB	07-Jan-25	50%	Land for development	N/A	\$2,640	\$—
Lakeview Court	Gander, NL	02-May-25	100%	MHC	86	2,930	1,830
Sunset Parkway	Corner Brook, NL	02-May-25	100%	MHC	84	1,870	1,100
Ridgeview Terrace Apartments	Grand Falls, NL	05-May-25	100%	Apartment	59	5,070	2,850
Terrace Apartments	Grand Falls, NL	05-May-25	100%	Apartment	89	8,630	8,630
Brighton House	Charlottetown, PE	26-May-25	100%	Apartment	47	7,300	4,660
Charlotte Court	Charlottetown, PE	26-May-25	100%	Apartment	49	3,900	2,850
Spring Park Apartments	Charlottetown, PE	26-May-25	100%	Apartment	32	4,680	1,720
Burns Avenue	Charlottetown, PE	3-Jul-25	100%	Apartment	60	9,000	9,000
Gloucester City Centre Block 2	Ottawa, ON	30-Jul-25	50%	Land for development	N/A	2,680	2,680
PEI Apartment Portfolio ⁽³⁾	Charlottetown and Summerside, PE	7-Aug-25	100%	Apartment	526	81,940	41,580
Woodward Gardens ⁽⁴⁾	Saint John, NB	8-Sep-25	100%	Apartment	99	17,000	10,270
Total Dispositions					1,131	\$147,640	\$87,170

(1) Net cash proceeds do not include transaction costs.

(2) Excluded from net cash proceeds is a \$2.6 million vendor take-back (VTB) mortgage. Full repayment is due within 48 months of the closing date in January 2025.

(3) On August 7, 2025, Killam sold a portfolio of 11 properties located in Charlottetown and Summerside, PE, for \$81.9 million, generating net cash proceeds of \$41.6 million.

(4) Excluded from net cash proceeds is a \$1.7 million VTB mortgage. Full repayment is due within 36 months of the closing date in September 2025.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Investment Properties Under Construction

As at

	September 30, 2025	December 31, 2024	% Change
Balance, beginning of period	\$91,114	\$44,621	104.2%
Fair value adjustment	(6,336)	(2,922)	116.8%
Capital expenditures	45,669	40,679	12.3%
Transfer to investment properties	(83,565)	—	N/A
Transfer from land for development	—	7,127	(100.0)%
Interest capitalized	1,772	1,609	10.1%
Balance, end of period	\$48,654	\$91,114	(46.6)%

Land for Development

As at

	September 30, 2025	December 31, 2024	% Change
Balance, beginning of period	\$68,504	\$61,293	11.8%
Fair value adjustment	—	6,037	(100.0)%
Acquisitions	2,745	5,887	(53.4)%
Dispositions	(5,325)	(5,099)	4.4%
Capital expenditures	6,938	4,966	39.7%
Transfer from investment properties	—	860	(100.0)%
Transfer to IPUC	—	(7,127)	(100.0)%
Interest capitalized	846	1,687	(49.9)%
Balance, end of period	\$73,708	\$68,504	7.6%

Killam's development projects currently underway include the following:

Property	Location	Ownership	Number of Units	Project Budget (millions)	Start Date	Completion Date	Anticipated All-Cash Yield
Eventide	Halifax, NS	100%	55	\$36.0	Q1-2024	2026	4.50%–5.00%
Brightwood (150 Wissler)	Waterloo, ON	100%	128	\$57.0	Q4-2024	2026	5.00%–5.50%
Total ⁽¹⁾			183	\$93.0			

(1) In addition, Killam has a 10% interest in the third phase (296 units) of the Nolan Hill development in Calgary, AB, which broke ground during the second quarter of 2025 and is expected to be completed in Q4-2027. Killam has a commitment in place to purchase the third phase, following completion of construction and the achievement of certain conditions.

Eventide

Eventide, an 8-storey, 55-unit building located in Halifax, NS, broke ground in Q1-2024. The project is expected to be completed in 2026 and has a development budget of \$36.0 million. Eventide is being financed through a conventional construction loan, which is expected to fund the remaining construction costs associated with this project.

Brightwood (150 Wissler)

Brightwood (150 Wissler), a 128-unit building located adjacent to Killam's Northfield Gardens in Waterloo, ON, broke ground in December 2024. The project is expected to be completed in June 2026 and has a development budget of \$57.0 million. Killam is in the process of placing construction financing on this development, which is expected to be in place prior to the end of 2025.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Future Development Pipeline

Killam has a development pipeline, with over 70% of future projects located outside of Atlantic Canada. Killam targets yields 50–150 bps higher than the expected market cap rate on completion. Below is a listing of land currently available for future development:

Property	Location	Killam's Interest	Development Potential (# of Units) ⁽¹⁾	Status	Estimated Year of Completion
<u>Developments expected to start in 2025–2027</u>					
Victoria Gardens Phase I	Halifax, NS	100%	95	Planning approvals	2027
Harlington Phase I	Halifax, NS	100%	150	Planning approvals	2028
Westmount Place Phase 2	Waterloo, ON	100%	250	Building permit approvals	2028
105 Elmira Rd North	Guelph, ON	70%	127	Planning approvals	TBD
4th & 5th Street Calgary	Calgary, AB	50%	235	Future development	TBD
<u>Additional future development projects</u>					
Nolan Hill Phase 4 ⁽²⁾	Calgary, AB	10%	200	Future development	TBD
Medical Arts	Halifax, NS	100%	198	Concept design	TBD
Hollis Street	Halifax, NS	100%	130	Concept design	TBD
Christie Point	Victoria, BC	100%	312	Future development	TBD
Quiet Place	Waterloo, ON	100%	160	Future development	TBD
Westmount Place (Phases 3–5)	Waterloo, ON	100%	800	Future development	TBD
Gloucester City Centre ⁽³⁾	Ottawa, ON	100%	200	Future development	TBD
Kanata Lakes	Ottawa, ON	50%	80	Future development	TBD
St. George Street	Moncton, NB	100%	60	Future development	TBD
Topsail Road	St. John's, NL	100%	225	Future development	TBD
Block 4	St. John's, NL	100%	80	Future development	TBD
Total Development Opportunities ⁽⁴⁾			3,302		

(1) Represents total number of units in the potential development.

(2) Killam has a 10% ownership interest in the remaining phase of the Nolan Hill development in Calgary, AB, with the option to purchase the remaining 90% ownership interest upon completion.

(3) On July 30, 2025, Killam acquired the remaining 50% ownership interest in Gloucester City Centre, previously held through a joint operation.

(4) Killam has identified opportunities for additional density of over 4,000 units through redevelopment of existing properties in Halifax. Killam is exploring rezoning opportunities, including the incorporation of an affordability component in each of the potential future redevelopments.

In addition to the development opportunities above, Killam has zoning in place for several of its properties in Halifax, including two larger sites – Harlington Crescent and Victoria Gardens. Harlington Crescent is a 16-acre site containing 298 units and Victoria Gardens is a 10-acre site containing 198 units, with infill opportunities at both locations. Both of these sites are well situated for more density and are along transit corridors.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Capital Improvements

Capital improvements are a combination of maintenance capex and value-enhancing upgrades. Maintenance capex investments are not expected to increase the NOI or efficiency of a building; however, these expenditures will extend the life of the asset. Examples of maintenance capex include roof, window and building envelope repairs, and are in addition to repairs and maintenance costs that are expensed to NOI. Value-enhancing capital investments are expected to result in higher rents or lower operating costs. These investments include unit and common area upgrades and energy-efficiency projects. Killam's AFFO discussion provides further disclosure on the allocation between maintenance capex and value-enhancing capex investments.

Killam invested \$27.2 million and \$53.6 million in capital improvements during the three and nine months ended September 30, 2025, representing an increase of 6.1% and decrease of 14.0%, respectively, compared to the same periods in 2024. The increase in the quarter and year-to-date decline in capital investment reflects the timing of larger multi-phase capital projects. Killam has several significant capital projects scheduled for the fourth quarter, with total investment for 2025 expected to be approximately \$85 million.

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Apartments	\$23,091	\$19,776	16.8%	\$47,423	\$51,157	(7.3)%
MHCs	1,028	3,285	(68.7)%	2,292	5,538	(58.6)%
Commercial	3,060	2,550	20.0%	3,887	5,602	(30.6)%
	\$27,179	\$25,611	6.1%	\$53,602	\$62,297	(14.0)%

Apartments – Capital Investment

A summary of the capital investment for the apartment segment is included below:

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Suite renovations and repositionings	\$5,475	\$6,026	(9.1)%	\$16,596	\$16,790	(1.2)%
Building improvements	13,128	10,122	29.7%	22,316	23,976	(6.9)%
Appliances	762	1,021	(25.4)%	2,458	3,400	(27.7)%
Energy	3,047	2,024	50.5%	4,699	4,388	7.1%
Common area	679	583	16.5%	1,354	2,603	(48.0)%
Total capital invested	\$23,091	\$19,776	16.8%	\$47,423	\$51,157	(7.3)%
Average number of units outstanding ⁽¹⁾	17,521	18,063	(3.0)%	17,723	18,141	(2.3)%
Capital invested – \$ per unit	\$1,318	\$1,095	20.4%	\$2,676	\$2,820	(5.1)%

(1) Weighted average number of units, adjusted for Killam's 50% ownership in jointly held properties.

Killam invested \$1,318 and \$2,676 per unit for the three and nine months ended September 30, 2025, compared to \$1,095 and \$2,820 per unit for the same periods in 2024. The year-over-year decrease reflects the timing of larger multi-phase capital projects aimed at enhancing building resiliency, as well as the disposition of capital-intensive properties over the past 12 months. Killam's focus on the development and acquisition of newer properties contributes to lower maintenance capex per unit relative to many other Canadian apartment owners. As a percentage of forecasted 2025 NOI, 33% of Killam's apartments were built in the past 10 years, and the average age of Killam's portfolio is 29 years. This portfolio of newer assets allows Killam to focus on value-enhancing opportunities, as the maintenance capital requirements are lower.

Suite Renovations and Repositionings

Killam invested \$5.5 million and \$16.6 million in suite renovations during the three and nine months ended September 30, 2025, respectively, representing decreases of 9.1% and 1.2% compared to the total investment of \$6.0 million and \$16.8 million for the same periods in 2024.

Killam targets a minimum return on investment (ROI) of 10% for its unit renovations. The timing of unit renovation investment is influenced by tenant turnover, market conditions and property-specific needs. Capital requirements are also impacted by the age of the property and length of ownership. Year-to-date, Killam repositioned 184 units, down from 227 units completed during the same period in 2024. Killam is targeting a minimum of 250 repositionings in 2025.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Building Improvements

These investments include larger building improvement projects, such as exterior cladding and brick work, balcony refurbishments and roof upgrades, as well as plumbing improvements, fire safety, security systems and window upgrades. The change in building investments for the three and nine months ended September 30, 2025, compared to the same periods in 2024, relates primarily to the timing of multi-phase building envelope projects. The disposition of capital-intensive properties over the past 12 months has also contributed to a decrease in spending year-to-date.

Energy

Killam continues to invest in energy-efficiency initiatives, augmenting its sustainability programs with a focus on reducing operating expenses and improving building performance. Killam is committed to continuously lowering and reporting on its greenhouse gas emissions and also completing benchmarking using third-party validation. During Q3-2025, Killam invested \$3.0 million in the installation of PV solar panels, new boilers and heat pumps across multiple properties. Additional projects planned for Q4-2025 include the completion of in-progress PV solar installations, targeted window and insulation upgrades, as well as boiler and heat pump installations.

MHCs – Capital Investment

A summary of the capital investment for the MHC segment is included below:

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Water and sewer upgrades	\$390	\$490	(20.4)%	\$614	\$1,005	(38.9)%
Site expansion and land improvements	237	2,201	(89.2)%	634	2,857	(77.8)%
Other	377	508	(25.8)%	969	1,438	(32.6)%
Roads and paving	14	76	(81.6)%	39	124	(68.5)%
Equipment	10	10	—%	36	114	(68.4)%
Total capital invested – MHCs	\$1,028	\$3,285	(68.7)%	\$2,292	\$5,538	(58.6)%
Average number of sites	5,805	5,975	(2.8)%	5,881	5,975	(1.6)%
Capital invested – \$ per site	\$177	\$550	(67.8)%	\$390	\$927	(57.9)%

Management expects to invest between \$900 and \$1,100 per MHC site annually. Consistent with the apartment portfolio, a portion of the MHC capital is considered maintenance capital and a portion is considered value enhancing. Maintenance capital includes costs to support the existing infrastructure, and value-enhancing capital includes improvements to roadways, work to accommodate future expansion, and various community enhancements. A portion of MHC capital may be recovered through above-guideline increases in provinces with rent control, leading to increased NOI from the investments.

Total capital invested was \$1.0 million during Q3-2025 and \$2.3 million year-to-date, compared to \$3.3 million and \$5.5 million for the same periods in 2024, representing decreases of 68.7% and 58.6%, respectively. The third quarter and year-over-year decrease primarily reflects the completion of a \$2.0 million, 26-site expansion at Killam's MHC in Listowel, ON, which was undertaken in 2024 and completed in early 2025. Capital invested in 2025 was focused on community enhancements, including water and sewer upgrades, as well as building and land improvements. Similar to the apartment portfolio, the timing of capital expenditures for MHCs varies based on the specific needs of each community.

Commercial — Capital Investment

During the three and nine months ended September 30, 2025, Killam invested \$3.1 million and \$3.9 million, respectively, in its commercial portfolio, up from \$2.6 million and down from \$5.6 million during the same periods in 2024. These investments were primarily related to property upgrades, expansions, and tenant improvements to support new leasing opportunities at Killam's three stand-alone commercial properties: The Brewery, Westmount Place and Royalty Crossing. The year-to-date decline in capital investment is primarily due to the significant investment made at Royalty Crossing during 2024, which added 26,950 SF of new gross leasable area to the property. Capital investment may fluctuate annually depending on the timing and scope of tenant turnover and lease-up activity.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

Unitholders' Equity

As Killam is an open-ended mutual fund trust, unitholders of Trust Units are entitled to redeem their Trust Units at any time at prices determined and payable in accordance with the conditions specified in Killam's DOT. Consequently, under IFRS Accounting Standards, Trust Units are defined as financial liabilities. However, for purposes of financial statement classification and presentation, Trust Units may be presented as equity instruments, as they meet the puttable instrument exemption under IAS 32.

All Trust Units outstanding are fully paid, have no par value and are voting Trust Units. The DOT authorizes the issuance of an unlimited number of Trust Units. Trust Units represent a unitholder's proportionate undivided beneficial interest in Killam. No Trust Unit has any preference or priority over another. No unitholder has or is deemed to have any right of ownership in any of the assets of Killam. Each unit confers the right to one vote at any meeting of unitholders and to participate pro rata in any distributions and, on liquidation, to a pro rata share of the residual net assets remaining after preferential claims thereon of debt holders.

Holders of Trust Units have the right to redeem their units at the lesser of (i) 90% of the market price of the Trust Unit (market price is defined as the weighted average trading price of the previous 10 trading days), and (ii) the most recent closing market price (closing market price is defined as the weighted average trading price on the specified date) at the time of the redemption. The redemption price will be satisfied by cash, up to a limit of \$50 thousand for all redemptions in a calendar month, or a note payable. For the three and nine months ended September 30, 2025, no unitholders redeemed Trust Units.

Killam's DRIP allows unitholders to elect to have all cash distributions from the Trust reinvested in additional units. Unitholders who participate in the DRIP receive an additional distribution of units equal to 3% of each cash distribution reinvested. The price per unit is calculated by reference to the 10-day volume weighted average price of Killam's units on the TSX preceding the relevant distribution date, which typically is on or about the 15th day of the month following the distribution declaration.

The following chart highlights Killam's distributions paid and Trust Units reinvested.

Distribution Reinvestment Plan and Net Distributions Paid

	Three months ended September 30,			Nine months ended September 30,		
	2025	2024	% Change	2025	2024	% Change
Distributions declared on Trust Units	\$21,985	\$21,034	4.5%	\$65,648	\$62,935	4.3%
Distributions declared on Exchangeable Units	605	682	(11.3)%	1,945	2,046	(4.9)%
Distributions declared on awards outstanding under RTU Plan	117	89	31.5%	345	264	30.7%
Total distributions declared	\$22,707	\$21,805	4.1%	\$67,938	\$65,245	4.1%
Less:						
Distributions on Trust Units reinvested	(6,172)	(5,946)	3.8%	(19,064)	(17,807)	7.1%
Distributions on RTUs reinvested	(117)	(89)	31.5%	(345)	(264)	30.7%
Net distributions paid	\$16,418	\$15,770	4.1%	\$48,529	\$47,174	2.9%
Percentage of distributions reinvested	27.7%	27.7%		28.6%	27.7%	

Normal Course Issuer Bid

In June 2025, Killam received the TSX's acceptance of its notice of intention to proceed with an NCIB for its Trust Units, following expiry of the previous NCIB on June 23, 2025. Pursuant to the notice, Killam is permitted to acquire up to 6,045,826 Trust Units commencing on July 3, 2025, and ending on July 2, 2026. All purchases of Trust Units are made through the facilities of the TSX or alternative Canadian trading systems at the market price of the Trust Units at the time of acquisition. Daily repurchases by Killam are limited to 91,632 Trust Units, other than block purchase exemptions. Any Trust Units acquired under the NCIB will be cancelled.

On July 3, 2025, Killam also established an automatic unit purchase plan in connection with the NCIB, permitting purchases during internal trading blackout periods, subject to predetermined purchasing parameters set by Killam in accordance with the rules of the TSX. Outside predetermined blackout periods, Trust Units may be purchased under the NCIB based on Management's discretion, in compliance with TSX rules and applicable securities laws.

During the nine months ended September 30, 2025, 30,848 Trust Units were purchased for cancellation under Killam's previous NCIB at a weighted average purchase price of \$16.21 per unit.

Q3-2025 Management's Discussion and Analysis

Dollar amounts in thousands of Canadian dollars (except as noted)

PART VIII

Summary of Selected Consolidated Quarterly Results

	Q3-2025	Q2-2025	Q1-2025	Q4-2024	Q3-2024 ⁽¹⁾	Q2-2024 ⁽¹⁾	Q1-2024 ⁽¹⁾	Q4-2023
Property revenue	\$98,473	\$95,646	\$93,024	\$92,581	\$93,788	\$90,776	\$87,505	\$86,858
NOI	\$67,785	\$64,075	\$58,995	\$61,119	\$64,416	\$59,923	\$55,020	\$56,488
Net income (loss)	\$41,860	\$33,134	\$101,912	\$363,419	\$62,732	\$114,452	\$127,240	(\$11)
FFO	\$41,877	\$39,400	\$34,241	\$36,393	\$40,468	\$36,673	\$31,380	\$34,034
FFO per unit – diluted	\$0.34	\$0.32	\$0.28	\$0.29	\$0.33	\$0.30	\$0.26	\$0.28
AFFO	\$36,218	\$33,643	\$28,548	\$30,579	\$34,724	\$30,846	\$25,579	\$28,583
AFFO per unit – diluted	\$0.29	\$0.27	\$0.23	\$0.25	\$0.28	\$0.25	\$0.21	\$0.23
Weighted average units – diluted (000s)	124,745	124,396	123,967	123,600	123,294	122,980	122,610	122,217

(1) The maintenance capital expenditures used to calculate AFFO and AFFO per unit (diluted) for Q1-2024, Q2-2024 and Q3-2024 were updated to reflect the maintenance capex reserve of \$1,100 per apartment unit, \$310 per MHC site and \$1.10 per SF for commercial properties that were used in the calculation for the 12 months ended December 31, 2024.

Risks and Uncertainties

Killam faces a variety of risks, the majority of which are common to real estate entities. These are described in detail in the MD&A of Killam's 2024 Annual Report and in Killam's AIF, both filed on SEDAR+ at www.sedarplus.ca. These factors continue to exist and remain relatively unchanged.

Critical Accounting Policies and Significant Accounting Judgments, Estimates and Assumptions

The condensed consolidated interim financial statements should be read in conjunction with Killam's most recently issued Annual Report, which includes information necessary or useful to understanding Killam's business and financial statement presentation. In particular, Killam's material accounting policies were presented in note 2 to the audited consolidated financial statements for the year ended December 31, 2024, and any changes in the accounting policies applied have been described in note 2 to the condensed consolidated interim financial statements for the three and nine months ended September 30, 2025.

The preparation of financial statements in conformity with IFRS Accounting Standards requires Management to make estimates and assumptions. Significant areas of judgment, estimates and assumptions are set out in note 3 to the audited consolidated financial statements found in Killam's 2024 Annual Report. The most significant estimates relate to the fair value of investment properties and deferred income taxes.

The condensed consolidated interim financial statements have been prepared considering the impact of the current economic environment, including interest rates, the potential for government intervention and how increased uncertainty could impact the valuation of investment properties. Killam has used the best information available as at September 30, 2025, in determining its estimates and the assumptions that affect the carrying amounts of assets, liabilities and earnings for the period. Actual results could differ from those estimates. Killam considers the estimates that could be most significantly impacted to include those underlying the valuation of investment properties and the estimated credit losses on accounts receivable.

Disclosure Controls, Procedures and Internal Controls

Management, including the Chief Executive Officer and the Chief Financial Officer, does not expect that Killam's disclosure controls, procedures or internal controls will prevent or detect all error and all fraud. Because of the inherent limitations in all control systems, an evaluation of controls can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within Killam have been detected. During the most recent interim period, there have been no significant changes to Killam's disclosure controls, procedures or internal controls.

Subsequent Events

On October 16, 2025, Killam announced a distribution of \$0.06000 per unit, payable on November 17, 2025, to unitholders of record on October 31, 2025.