

Q2-2023 Results Conference Call

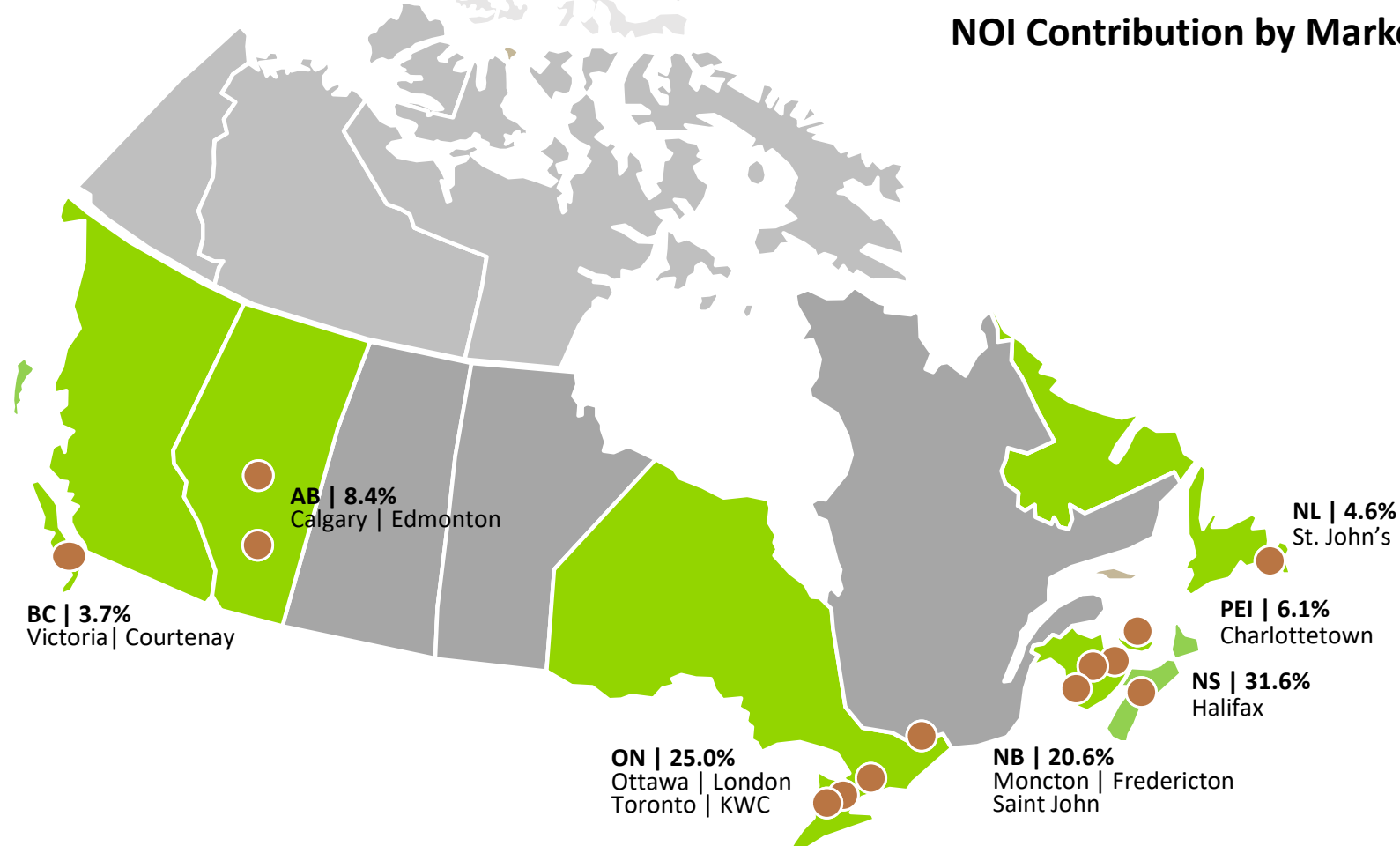
August 10, 2023 | 9am EDT





Christie Point, Victoria

This presentation may contain forward-looking statements with respect to Killam Apartment REIT ("Killam") and its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue", "maintain", "target" or the negative thereof or similar variations. The actual results and performance of Killam discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from expectations include, among other things the effects, duration and government responses to the COVID-19 pandemic and other international events, and the effectiveness of measures intended to mitigate impacts thereof; competition; global, national and regional economic conditions including inflationary pressures; and the availability of capital to fund further investments in Killam's business and the factors described under "Risk Factors" in Killam's Annual Information Form, Killam's Management's Discussion and Analysis for the three and six months ended June 30th, 2023, and other securities regulatory filings made by Killam from time to time. The cautionary statements qualify all forward-looking statements attributable to Killam and persons acting on its behalf. All forward-looking statements in this presentation speak only as of the date to which this presentation refers, and Killam does not intend to update or revise any such statements, unless otherwise required by applicable securities laws.



Killam's strategy to increase FFO, NAV and maximize value is focused on three priorities:

Increase earnings from existing portfolio.

Expand the portfolio and diversify geographically through accretive acquisitions, targeting newer properties.

Develop high-quality properties in Killam's core markets.

Q2-2023 | Strategic Targets



Target: Average 3.0%-5.0%

Same property NOI growth of 7.1% for the six months ended June 30, 2023. Killam expects same property NOI growth in 2023 to exceed the top end of its target and has increased its target to 6.0%.



Target: Sell a minimum of \$100 million of non-core assets.

Four dispositions completed YTD, selling a total of 375 units at a combined total sale price of \$82M. With additional dispositions planned for the remainder of 2023, Killam expects to exceed its target.



Target: Earn at least 36% of 2023 NOI outside of Atlantic Canada.

On track to exceed this target, with 37.1% of NOI generated outside Atlantic Canada as of June 30, 2023. The completion and lease-up of Civic 66 and planned dispositions in Eastern Canada will further augment NOI generated outside Atlantic Canada during the remainder of the year.



Target: Complete construction of two development projects and break ground on one additional project in 2023.

On track to meet this target; The Governor, a 12-unit building located in Halifax, NS, and Civic 66, a 169-unit building located in Kitchener, ON, both reached substantial completion in July 2023.



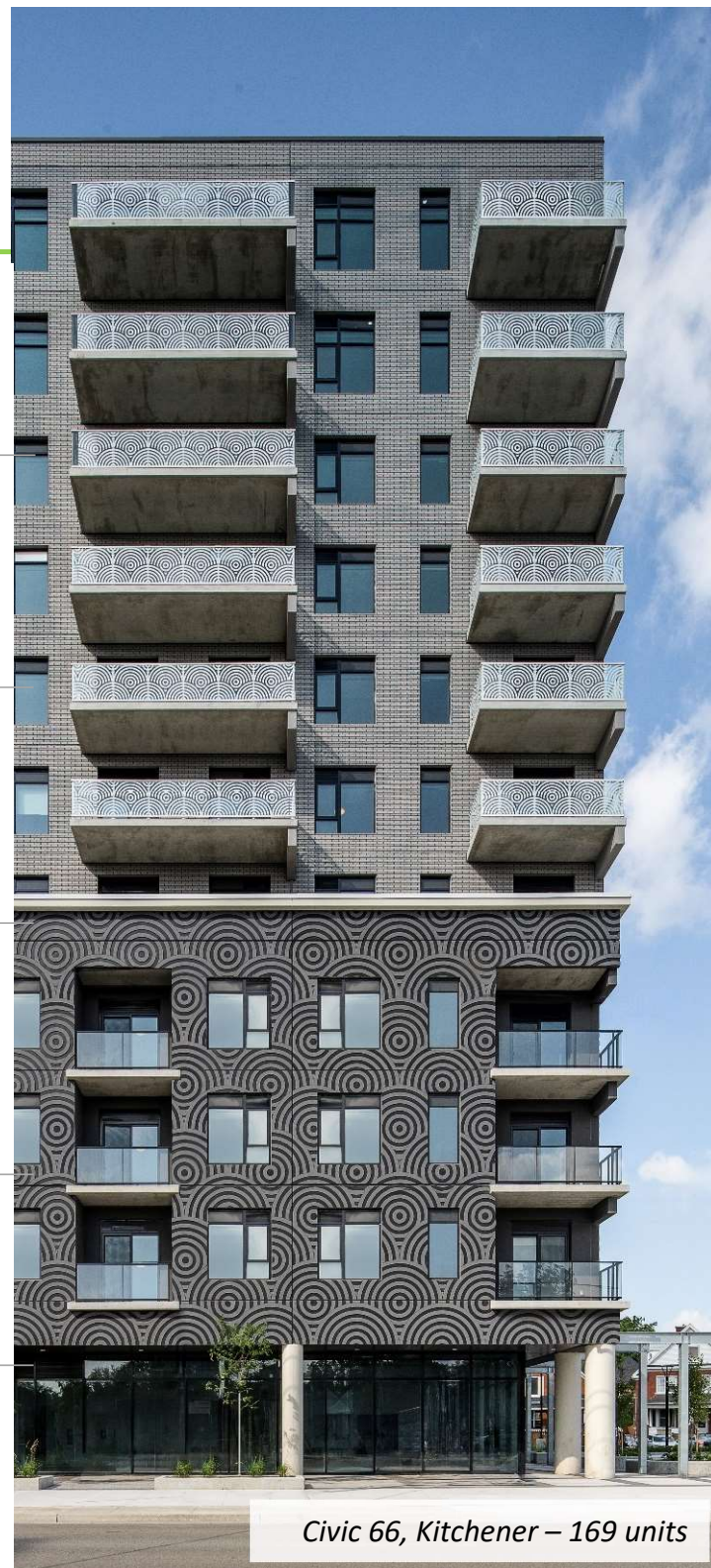
Target: Reduce debt as a percentage of total assets to below 45%.

43.1% as at June 30, 2023.

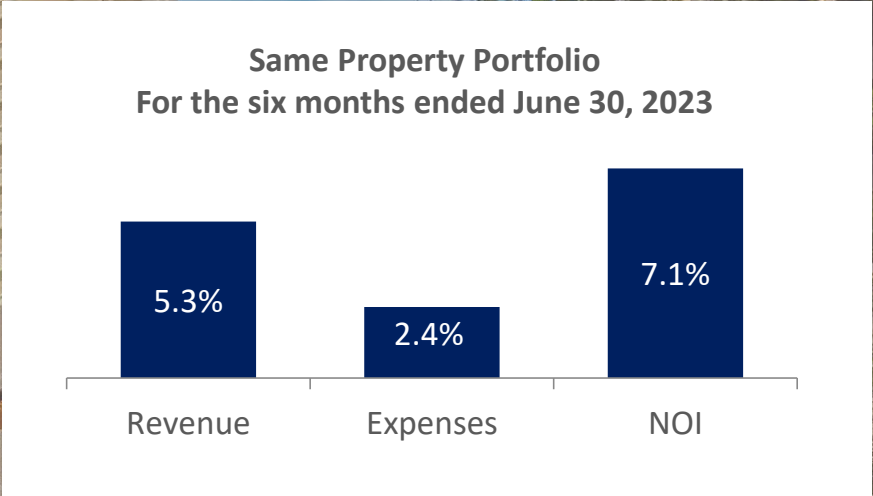
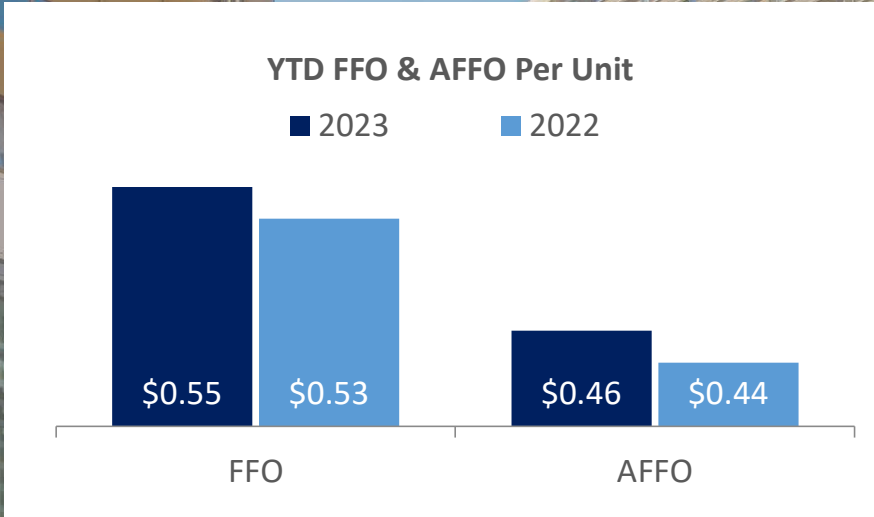
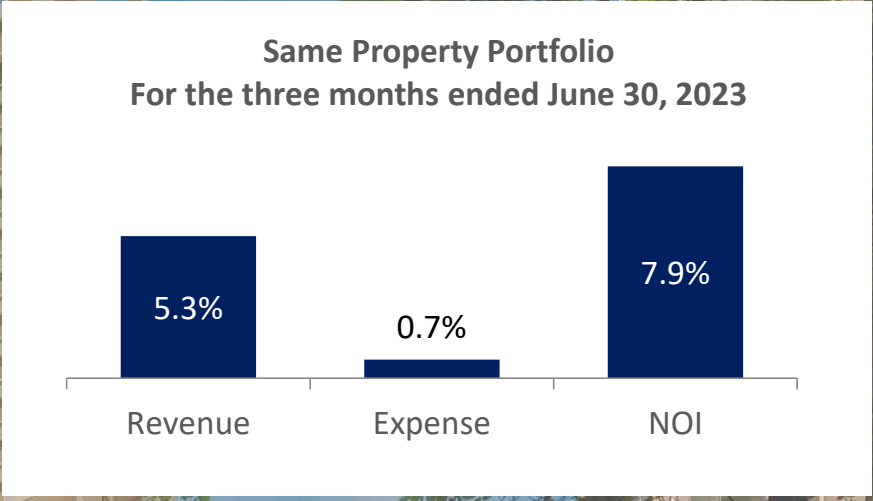
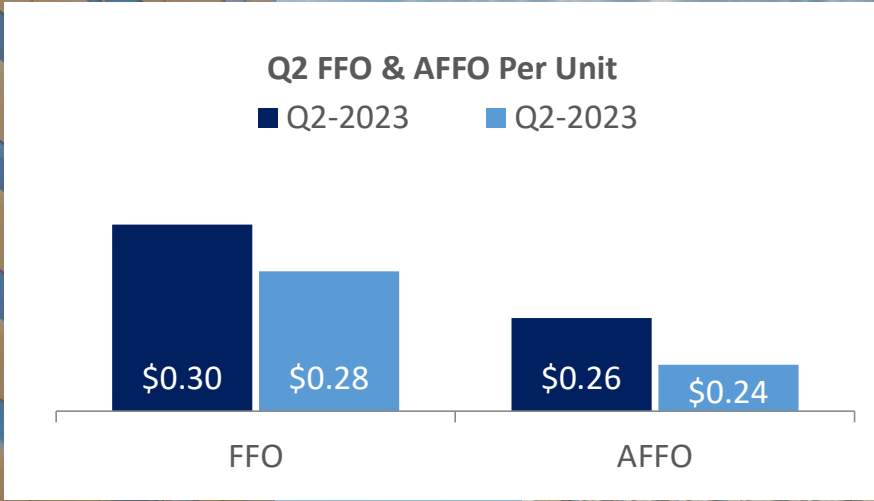


Target: Invest a minimum of \$8.0 million in energy initiatives in 2023.

\$4.0M invested in energy initiatives YTD, including new boilers, water and sewer upgrades, window replacements, building upgrades, and EV chargers.



Civic 66, Kitchener – 169 units



Q2-2023 | Financial Highlights



\$114.5M

Net Income

Includes \$56.2 million of net operating income, up 8.8% from Q2-2022.

\$0.30

FFO per Unit⁽¹⁾

7.1% increase from \$0.28 per unit in Q2-2022. AFFO per unit increased 8.3% to \$0.26, compared to \$0.24 in Q2-2022.

7.9%

Same Property NOI Growth⁽²⁾

7.9% growth in Q2-2023 includes a 5.3% increase in same property revenue.

69%

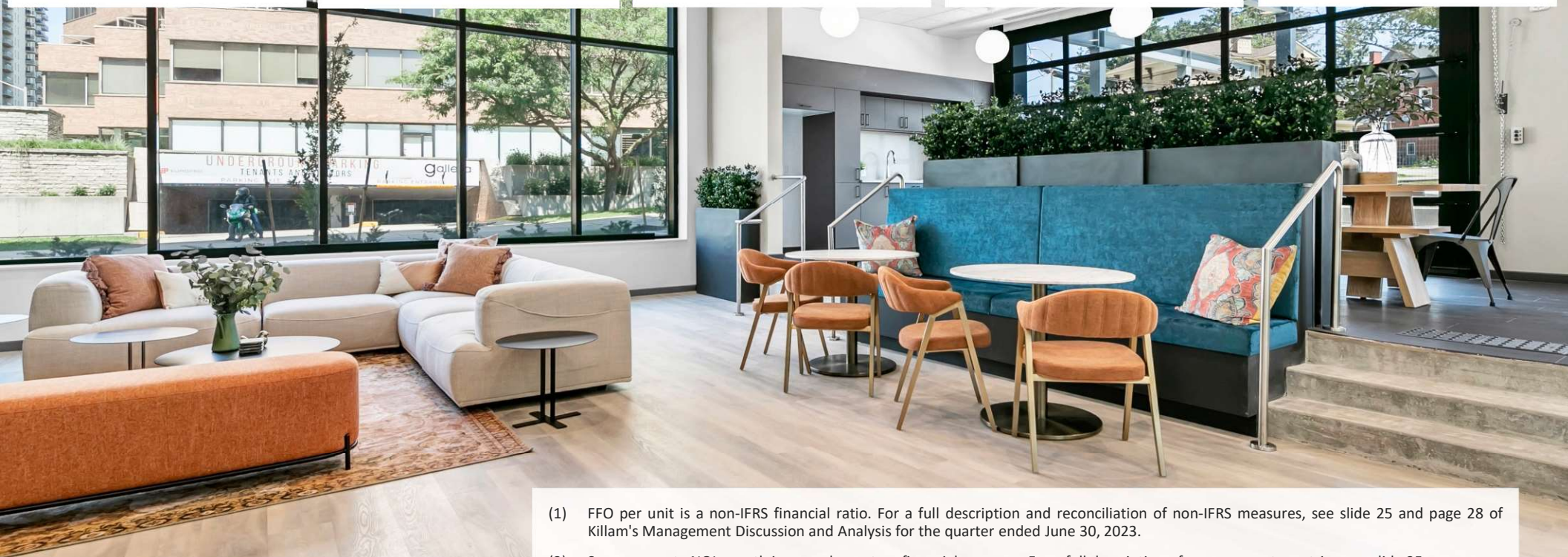
AFFO payout ratio⁽³⁾

AFFO payout ratio was 69%, a 300-basis point decrease from Q2-2022.

43.1%

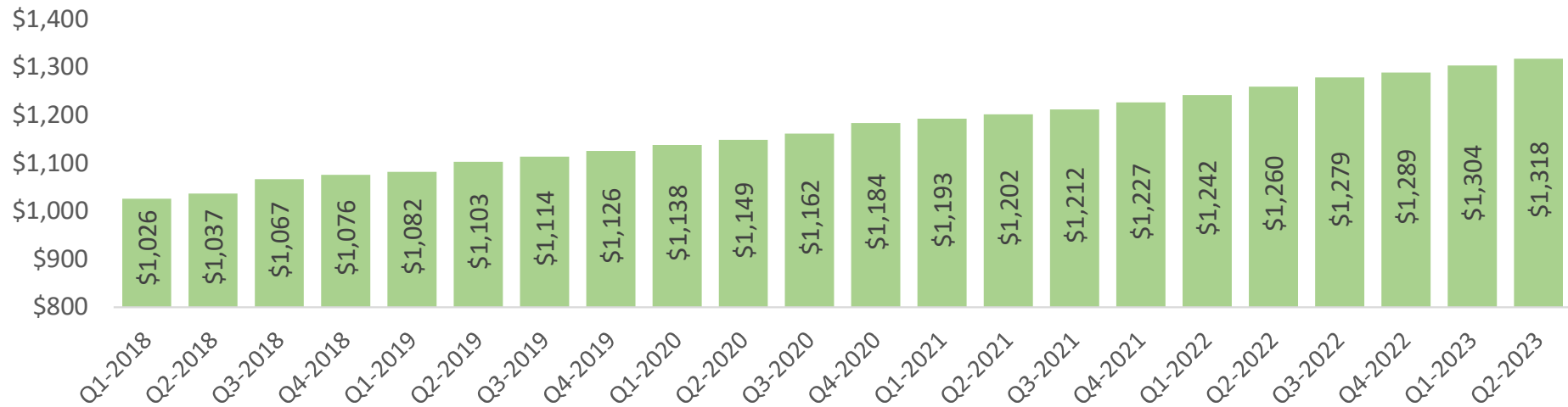
Total Debt as a % of Total Assets⁽⁴⁾

A 220-basis point decrease from 45.3% at December 31, 2022.

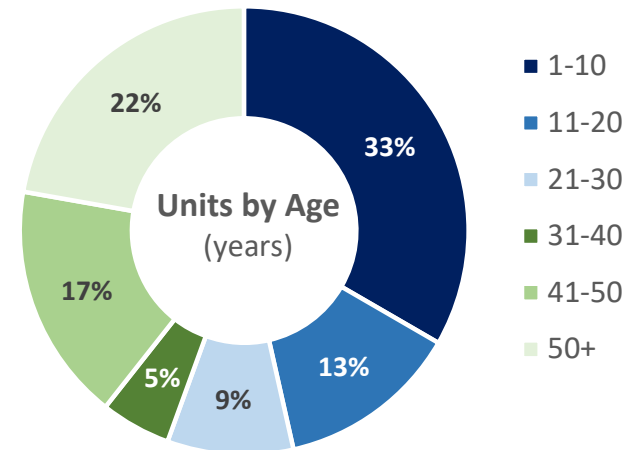
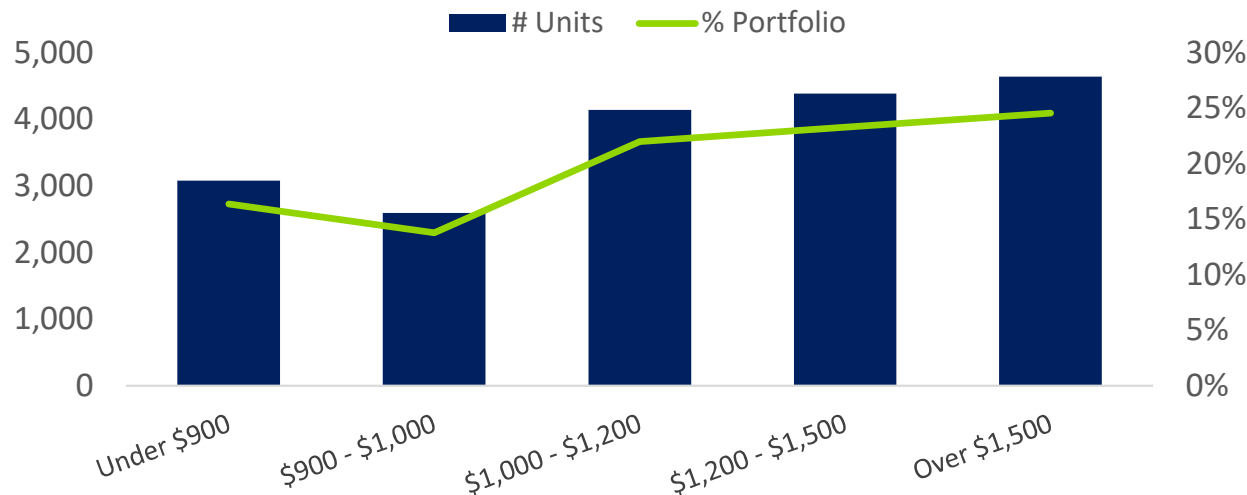


- (1) FFO per unit is a non-IFRS financial ratio. For a full description and reconciliation of non-IFRS measures, see slide 25 and page 28 of Killam's Management Discussion and Analysis for the quarter ended June 30, 2023.
- (2) Same property NOI growth is a supplementary financial measure. For a full description of same property metrics, see slide 25.
- (3) AFFO per unit and AFFO payout ratio are non-IFRS ratios. For a full description and reconciliation of non-IFRS measures, see slide 25 and page 29 of Killam's Management Discussion and Analysis for the quarter ended June 30, 2023.
- (4) Total debt as a percentage of total assets is a capital management measure. For a full description of total debt as a percentage of total assets, see slide 25.

Total Apt Average Monthly Rent by Quarter

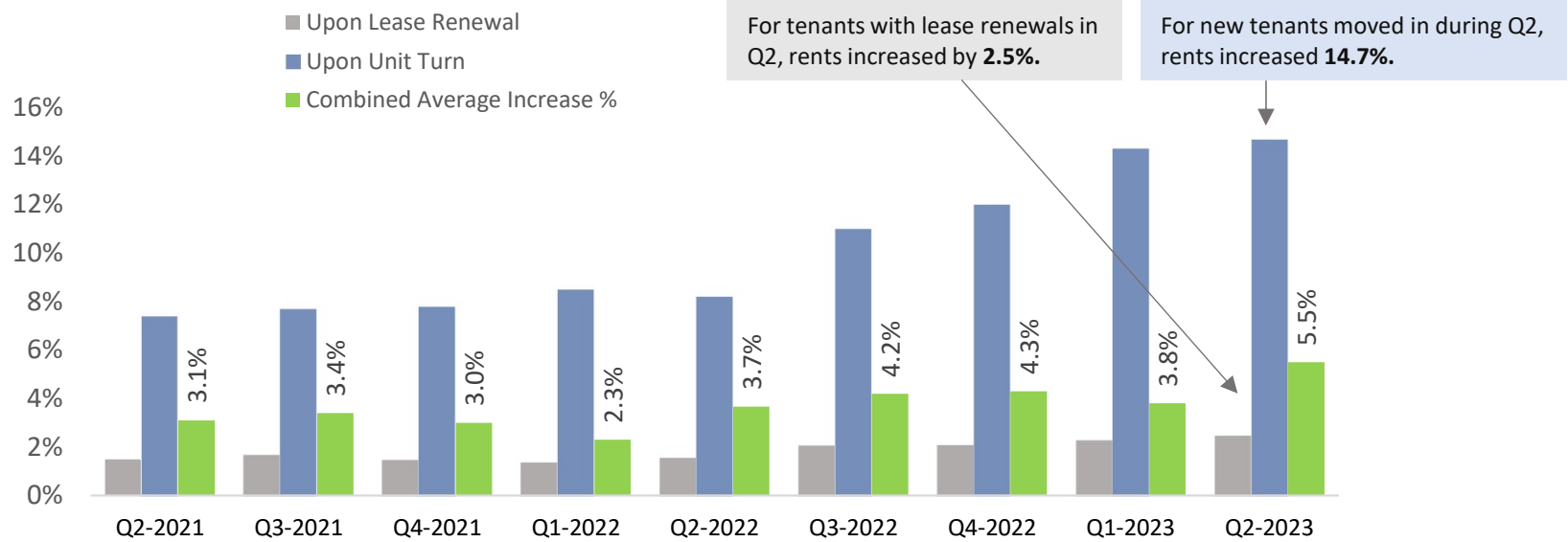


Killam's Portfolio Distribution by Monthly Rent Buckets

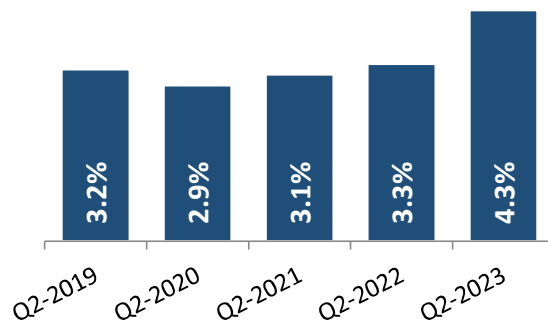


Q2-2023 | Financial Highlights – Apartments

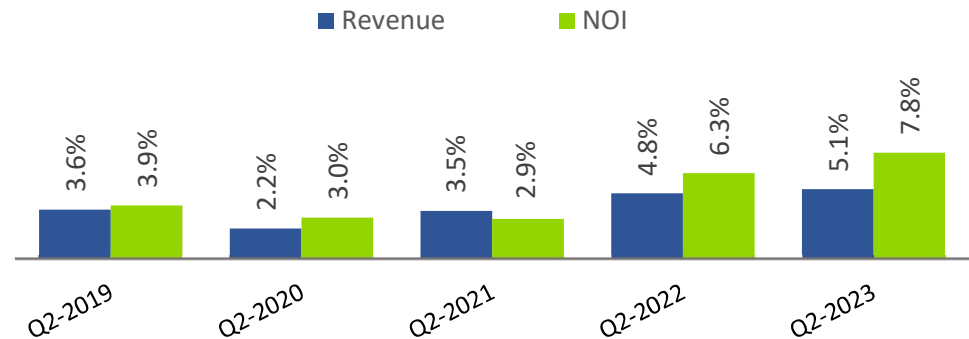
Apartments Same Property Rental Rate Growth by Quarter



Apartments Same Property Average Rental Rate Increase



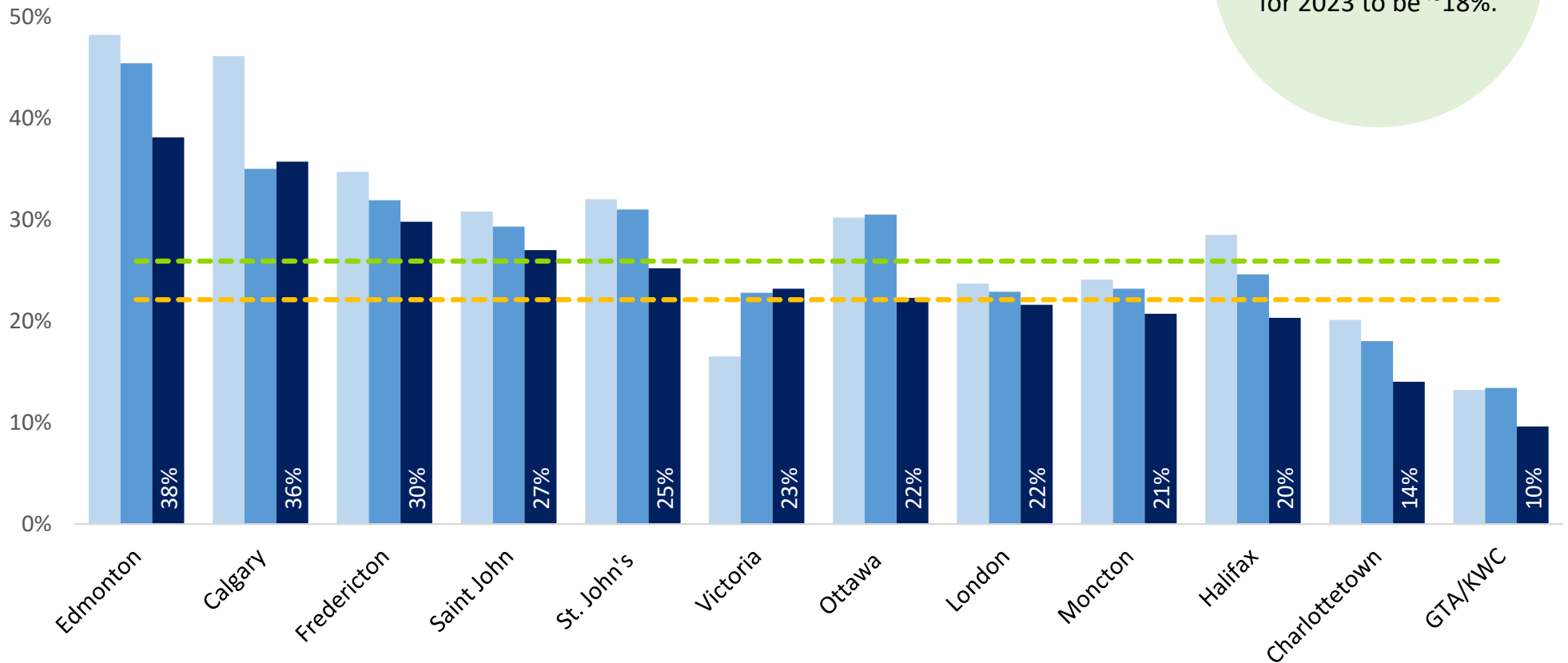
Apartment Same Property Growth



*Year-over-year change in average rent.

Annual Turnover by Region

2020 2021 2022 Avg 2021 Avg 2022

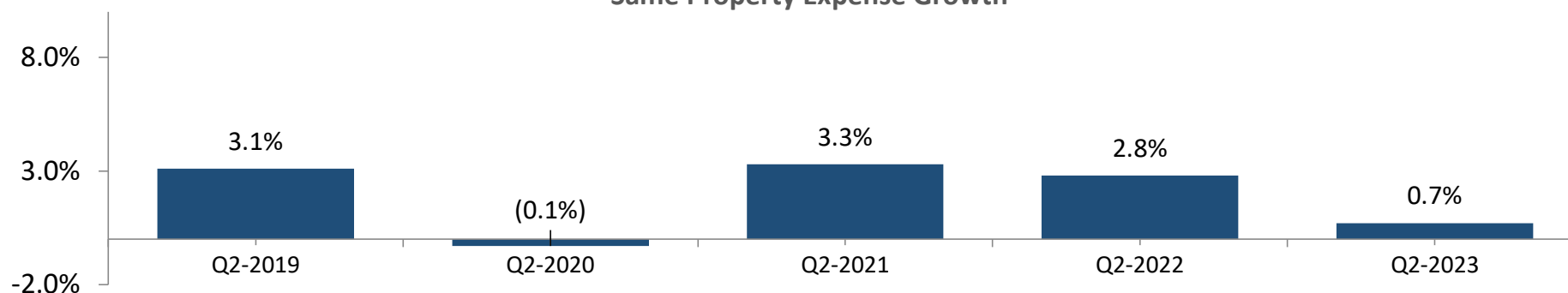


Killam's turnover was
22% in 2022
and expect turnover
for 2023 to be ~18%.

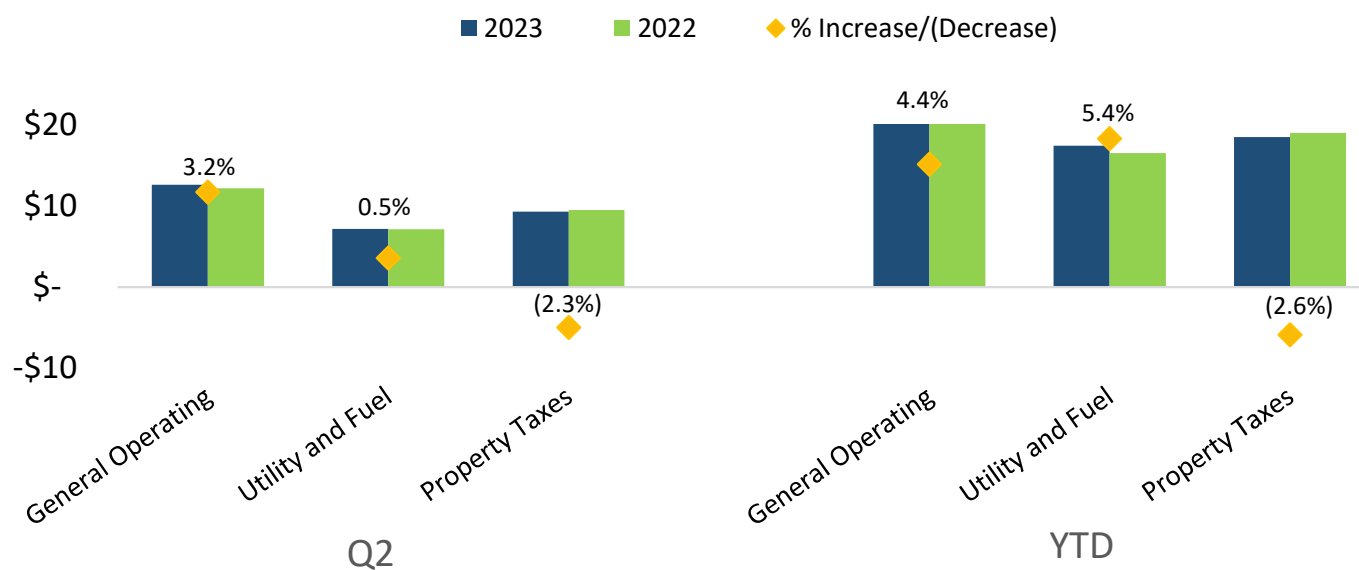
Q2-2023 | Financial Highlights – Expenses

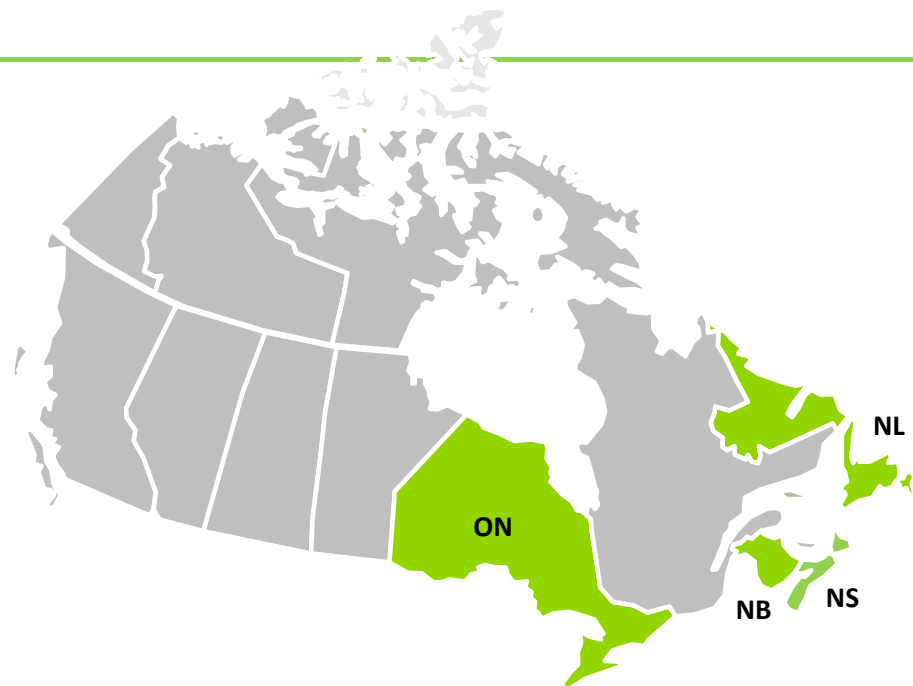
Total same property operating expenses were up 0.7% in Q2-2023. The increase was driven a 3.2% increase in general operating expenses, and a 0.5% increase in utility and fuel expenses. These increases were offset by a 2.3% decrease in property taxes.

Same Property Expense Growth

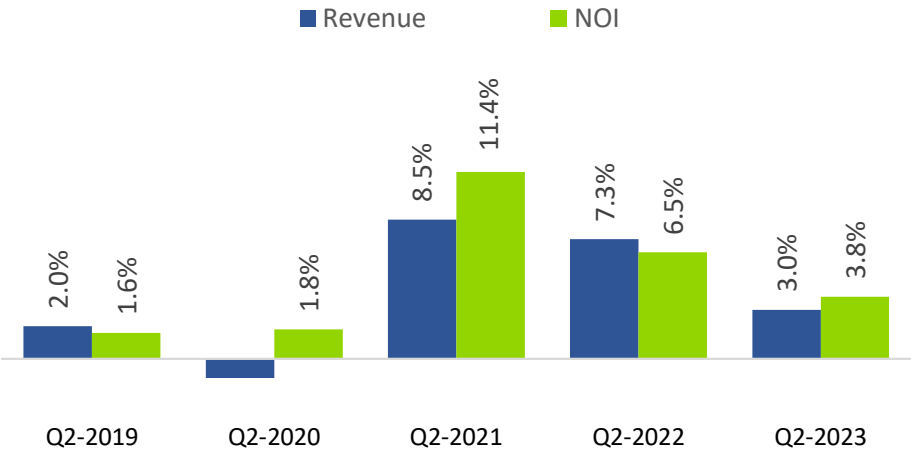


Same Property Expense by Category (\$M)

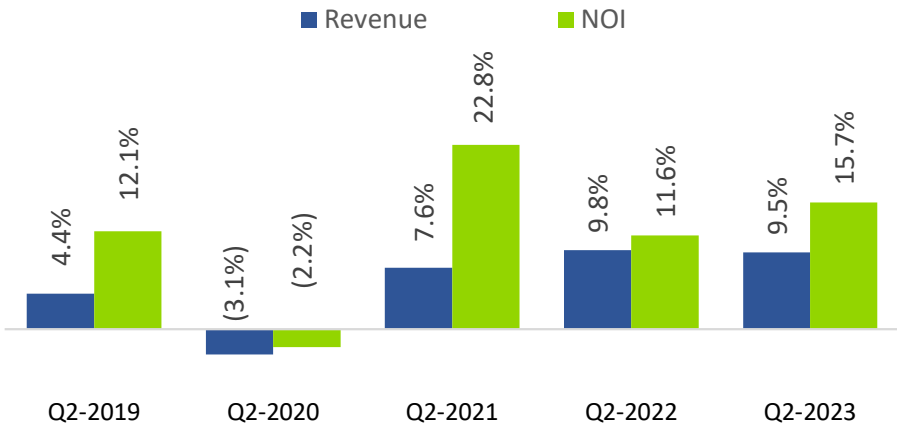




MHC
Same Property NOI Growth

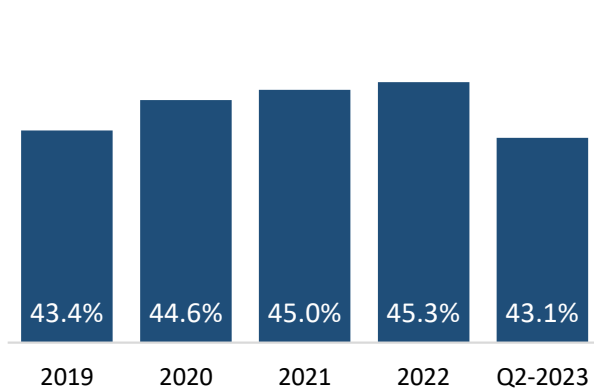


Commercial
Same Property NOI Growth

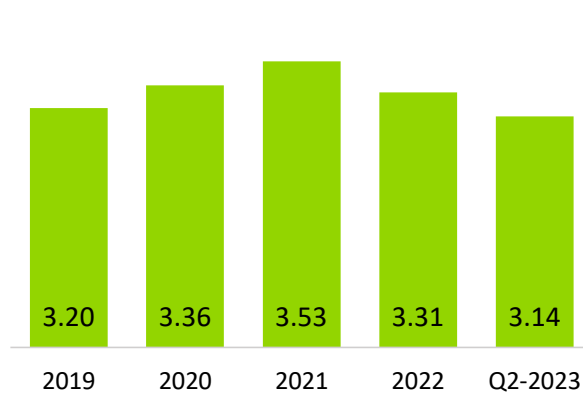


Q2-2023 | Conservative Debt Metrics

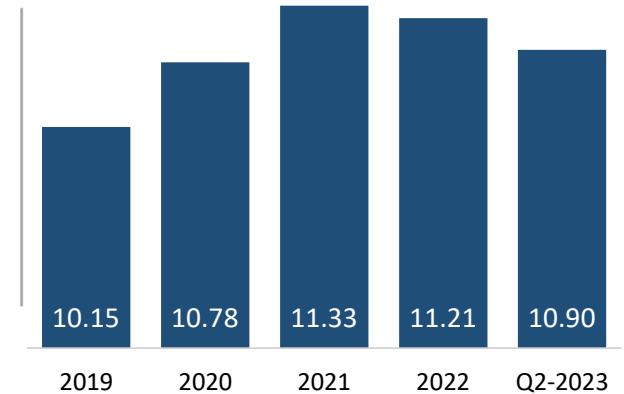
Total Debt as a % of Assets⁽¹⁾



Interest Coverage Ratio⁽²⁾

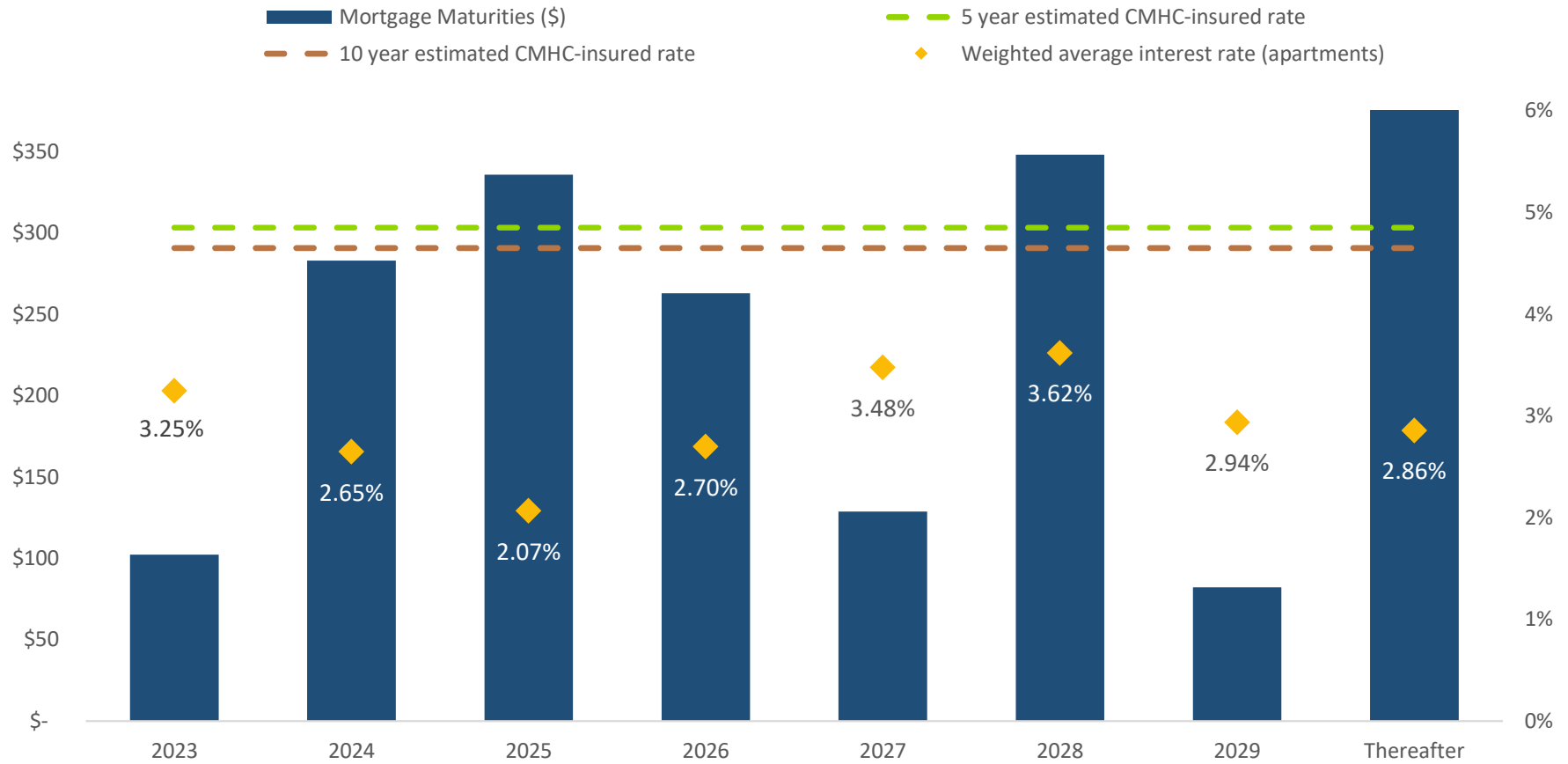


Debt to Normalized EBITDA⁽³⁾



- (1) Total debt as a percentage of total assets is a capital management financial measure. For a full description of total debt as a percentage of total assets, see slide 25.
- (2) Interest coverage ratio is a non-IFRS ratio. For a full description and calculation of the non-IFRS measures, see slide 25 and page 32 of Killam's Management Discussion and Analysis for the period ended June 30, 2023.
- (3) Debt to normalized EBITDA is a non-IFRS ratio. For a full description and calculation of the non-IFRS measures, see slide 25 and page 32 of Killam's Management Discussion and Analysis for the period ended June 30, 2023.

Apartment Mortgage Maturities by Year
As at June 30, 2023



APT Weighted Average
Mortgage Interest Rate
2.87%

Weighted Average
Term to Maturity
4.0 years

Apartment Mortgages
CMHC Insured
79.8%



Environmental

> Long-Term Targets

- Reduce GHG emissions 15% by 2030.⁽¹⁾
- Reduce carbon intensity 15% by 2030.⁽²⁾⁽³⁾
- Produce a minimum of 10% of electricity⁽⁴⁾ consumed by its portfolio through renewable energy sources by 2025.
- Pursue green building health and operating certifications across a minimum of 20% of Killam's portfolio by 2025.
- Invest a minimum of \$50M in energy-efficiency projects by 2030.⁽³⁾
- Establish science-based GHG emissions reduction targets by 2024.⁽³⁾⁽⁵⁾



Social

> Long-Term Targets

- Increase employee volunteer hours by 25% by 2025.⁽²⁾⁽⁶⁾
- Donate \$3M to our communities by 2030.⁽³⁾⁽⁷⁾
- Increase the number of units with a long-term affordability commitment by 20% by 2025.⁽⁶⁾
- Maintain resident satisfaction score above 85% annually.
- Maintain employee satisfaction score above 80% annually.⁽³⁾



Governance

> Long-Term Targets

- Continue to participate in the GRESB[®] survey annually, targeting a minimum increase of 5% each year to reach a GRESB 4-star ranking by 2025, and to continue to expand ESG disclosure.
- Increase the diversity of employees by 2025, including a 25% increase in the representation of employees who identify as racialized, Disabled, or LGBTQ2+.⁽²⁾

(1) Scope 1 and 2 emissions from 2020 levels, based on a like-for-like portfolio.

(2) From 2020 levels.

(3) New long-term target introduced as of January 1, 2023.

(4) Operational controlled electricity.

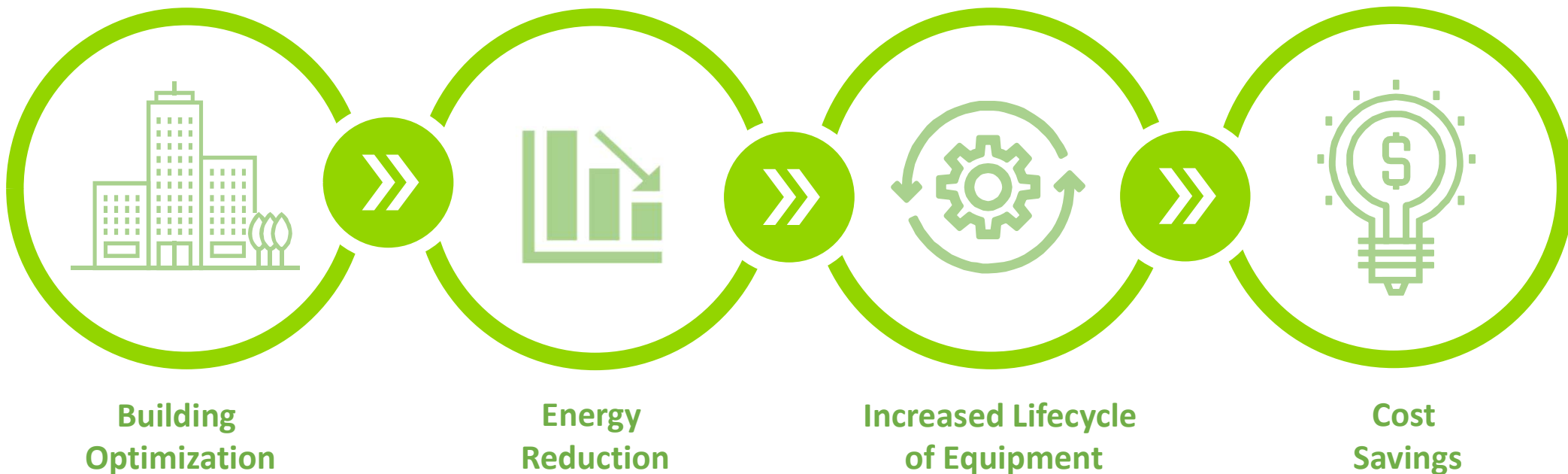
(5) We anticipate establishing science-based GHG emissions reduction target(s) by Q4 2024; however, receiving official Science-Based Targets initiatives (SBTi) approval for those targets may occur in early 2025.

(6) Killam achieved this goal in 2022 and replaced it with a new long-term target to donate \$3M to our communities by 2030.

(7) Community donations calculated as the sum of the market value of suite donations, employee volunteer hours, cash donations, and Trustee donations for the period January 1, 2023 to December 31, 2030.

(8) GRESB is a mission-driven and investor-led organization that provides actionable and transparent ESG data to financial markets.

Currently **19 properties** are connected to our central Building Automation System (BAS) server capable of monitoring and diagnosing the property's energy system performance remotely.



Targeting an additional 20 buildings for 2023

PV solar installed at **18 properties** with total potential production of 1,817 MWh/year (equal to 343 apartment units)

- 2 x Nova Scotia
- 4 x Ontario
- 1 x Alberta
- 11 x Prince Edward Island

Producing 4% of operationally controlled electricity (targeting 10% by 2025)

In 2023, Killam is investing \$1.5 million in PV solar projects at **5 additional** properties across Nova Scotia, New Brunswick and Ontario.



Targeting ~400 electric vehicle (EV) chargers across 50 properties for 2023

- 260 EV chargers installed across 39 properties to date
- Targeting another 50 properties in 2023 and will continue to add, as needed
- Project budget of \$2 million with 50% funding from Natural Resources Canada
- All new developments being built by Killam will incorporate EV chargers



Killam is focused on identifying dispositions that will maximize value for our Unitholders and strengthen our balance sheet. These strategic dispositions are accretive to both NAV and FFO per unit and enhances capital flexibility.

2023 Target:
Recycle \$100 million
of non-core assets

Property	Location	Disposition Date	Property Type	Units	Sale Price
266 Bronson Ave	Ottawa, ON	March 17, 2023	Apartment	43	\$9,800
The James	Halifax, NS	April 21, 2023	Apartment	108	\$33,000
Browns & University	Charlottetown, PEI	May 12, 2023	Apartment	122	\$21,320
Kristin Way	Ottawa, NS	May 16, 2023	Apartment	102	\$17,850
Year-to-date					\$81,970

Q2-2023 | Strong Leasing of Developments Continues

Fully leased



Latitude, Ottawa



The Kay, Mississauga



Luma, Ottawa

33%
leased



Governor, Halifax

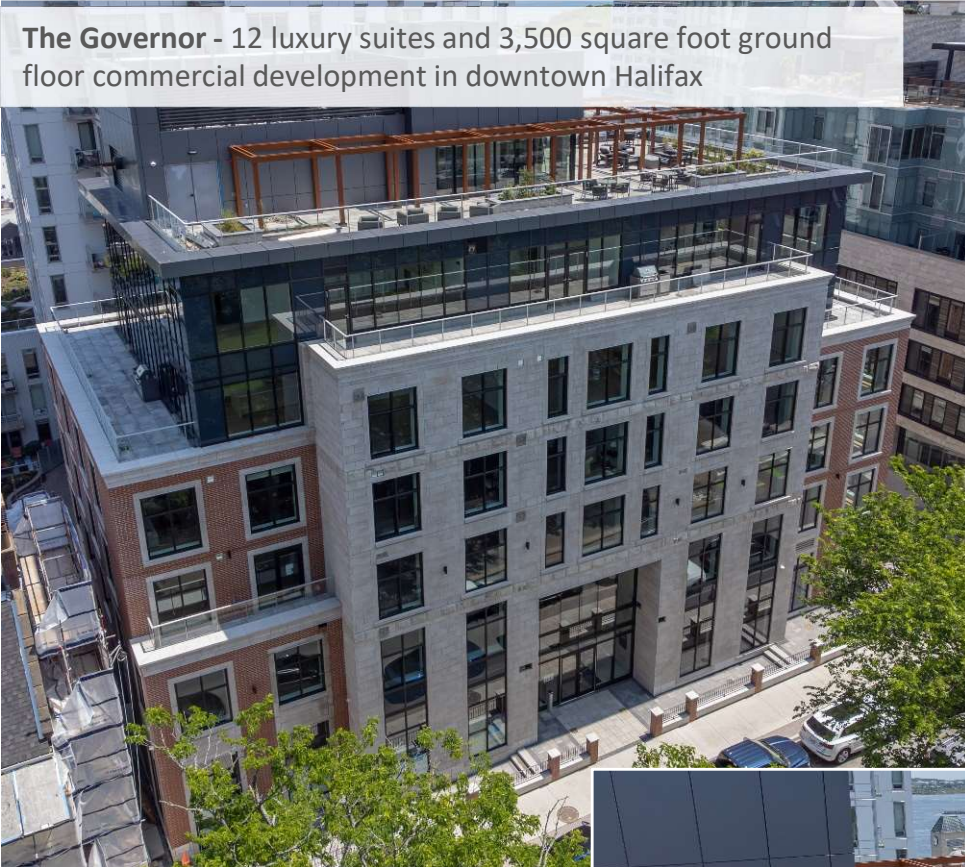
43%
leased



Civic 66, Kitchener

Q2-2023 | Completed Developments – The Governor, Halifax

The Governor - 12 luxury suites and 3,500 square foot ground floor commercial development in downtown Halifax



Green features:

- Heating & cooling with Variable Refrigerant Flow heat pumps
- EV chargers for all parking stalls
- Wi-fi Connected Programmable Thermostats



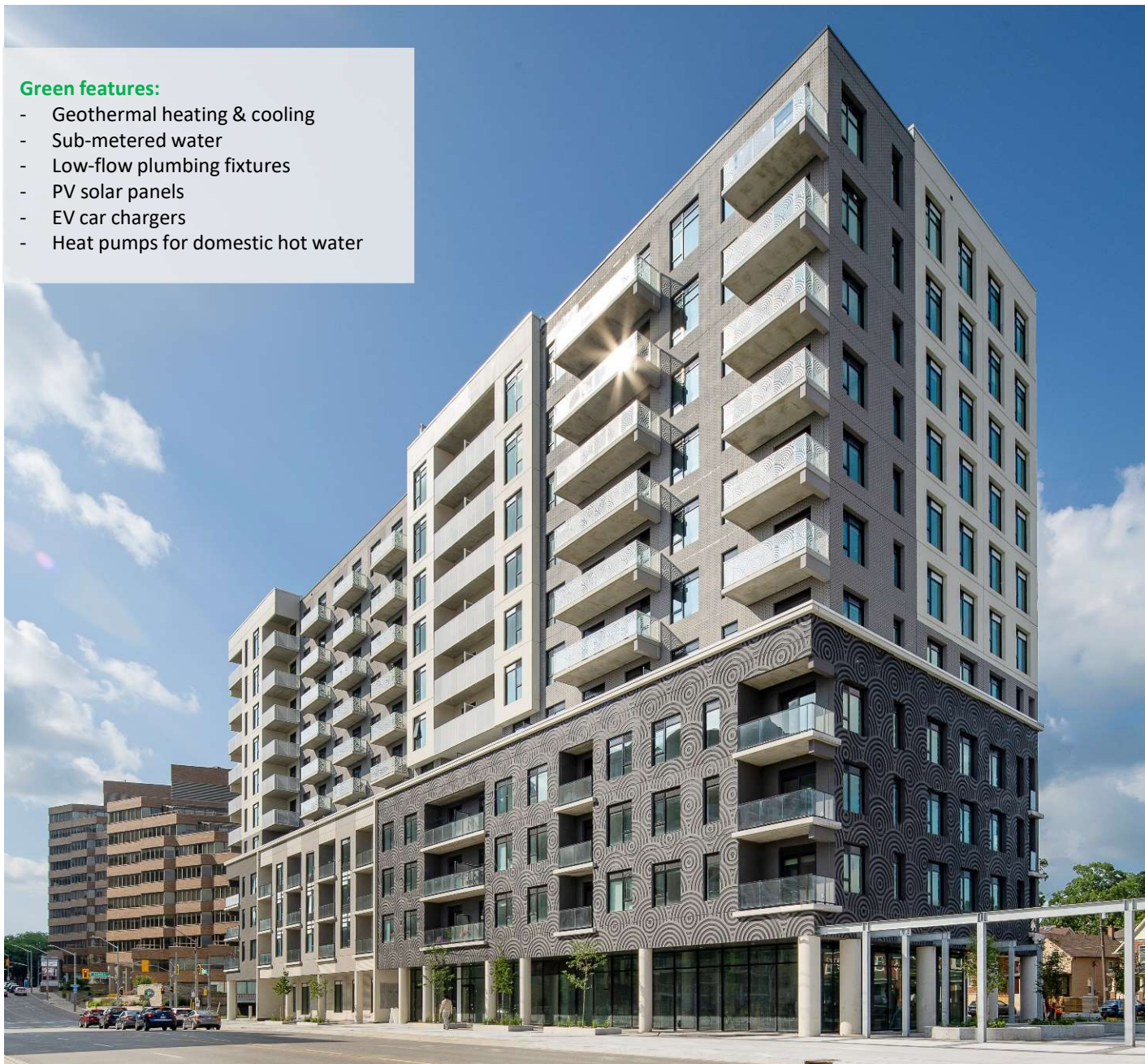
Progress shots as of June 2023



Q2-2023 | Completed Developments – Civic 66, Kitchener

Green features:

- Geothermal heating & cooling
- Sub-metered water
- Low-flow plumbing fixtures
- PV solar panels
- EV car chargers
- Heat pumps for domestic hot water



Killam currently has two active developments underway, which will add an additional 373 new high-quality suites to Killam’s portfolio in the next two years.



Nolan Hill Phase 2 | 234 units
Calgary



The Carrick | 139 units
Waterloo

Cost	\$65M ⁽¹⁾	\$84M
Expected Completion Date	Q4-2023	Q1-2025

(1) Killam has a 10% interest in the second phase of the Nolan Hill development in Calgary, AB. With a commitment in place to purchase the remaining 90% interest following completion of construction, Killam’s total cost for Nolan Hill Phase 2 will be \$65 million.

Killam has a 10% interest* in the 234-unit second phase of the Nolan Hill development

Broke ground in
Q4-2021 and is
expected to be
completed in
late 2023



*Killam has a \$65.0 million commitment to purchase the property following completion of construction (est. late 2023) and the achievement of certain conditions.

Q2-2023 | Future Development Activity – The Carrick, Waterloo

WESTMOUNT PHASE 1 (The Carrick) – Broke ground on the 139-unit development in Waterloo in Q2-2022.



Key Statistics

Number of units	139
Start date	Q2-2022
Est. completion date	Q1-2025
Project budget (\$M)	\$83.5
Cost per unit	\$601,000
Expected yield	4.00%-4.25%
Expected value cap-rate	3.50%
Avg unit size	870 SF
Avg rent	\$3.00-\$3.25 per SF

Non-IFRS 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 measures should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS, as indicators of Killam's performance, or sustainability of Killam's distributions. These measures do not have standardized meanings under IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded organizations.

Non-IFRS Financial Measures

- Funds from operations (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, are calculated by Killam as net income adjusted for fair value gains (losses), interest expense related to exchangeable units, gains (losses) on disposition, deferred tax expense (recovery), unrealized gains (losses) on derivative liability, internal commercial leasing costs, depreciation on an owner-occupied building, interest expense related to lease liabilities, and non-controlling interest. FFO is calculated in accordance with the REALPAC definition.
- Adjusted funds from operations (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 capital expenditures ("capex") (a three-year rolling historical average capital investment to maintain and sustain Killam's properties), commercial leasing costs and straight-line commercial rents. AFFO is calculated in accordance with the REALPAC definition. Management considers AFFO an earnings metric.
- Adjusted earnings before interest, tax, depreciation and amortization ("adjusted EBITDA") is calculated by Killam as net income before fair value adjustments, gains (losses) on disposition, income taxes, interest, depreciation and amortization.
- Normalized adjusted EBITDA is calculated by Killam as adjusted EBITDA that has been normalized for a full year of stabilized earnings from recently completed acquisitions and developments, on a forward-looking basis.
- Net debt is a non-IFRS measure used by Management in the computation of debt to normalized adjusted EBITDA. Net debt is calculated as the sum of mortgages and loans payable, credit facilities and construction loans (total debt) reduced by the cash balances at the end of the period. The most directly comparable IFRS measure to net debt is debt.
- **Non-IFRS Ratios**
 - Interest coverage is calculated by dividing adjusted EBITDA by mortgage, loan and construction loan interest and interest on credit facilities.
 - Per unit calculations are calculated using the applicable non-IFRS financial measures noted above, i.e., FFO, AFFO and/or ACFO, divided by the basic or 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.

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 2023 and 2022. Same property results represent 96.7% of the fair value of Killam's investment property portfolio as at June 30, 2023. Excluded from same property results in 2023 are acquisitions, dispositions and developments completed in 2022 and 2023, and non-stabilized commercial 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 2023 and 2022. 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.

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.

See the Q2-2023 Management's Discussion and Analysis for further details on these non-IFRS measures and, where applicable, reconciliations to the most directly comparable IFRS measure.

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