

# 2024 Results Conference Call

February 13, 2025 | 9:00am EDT

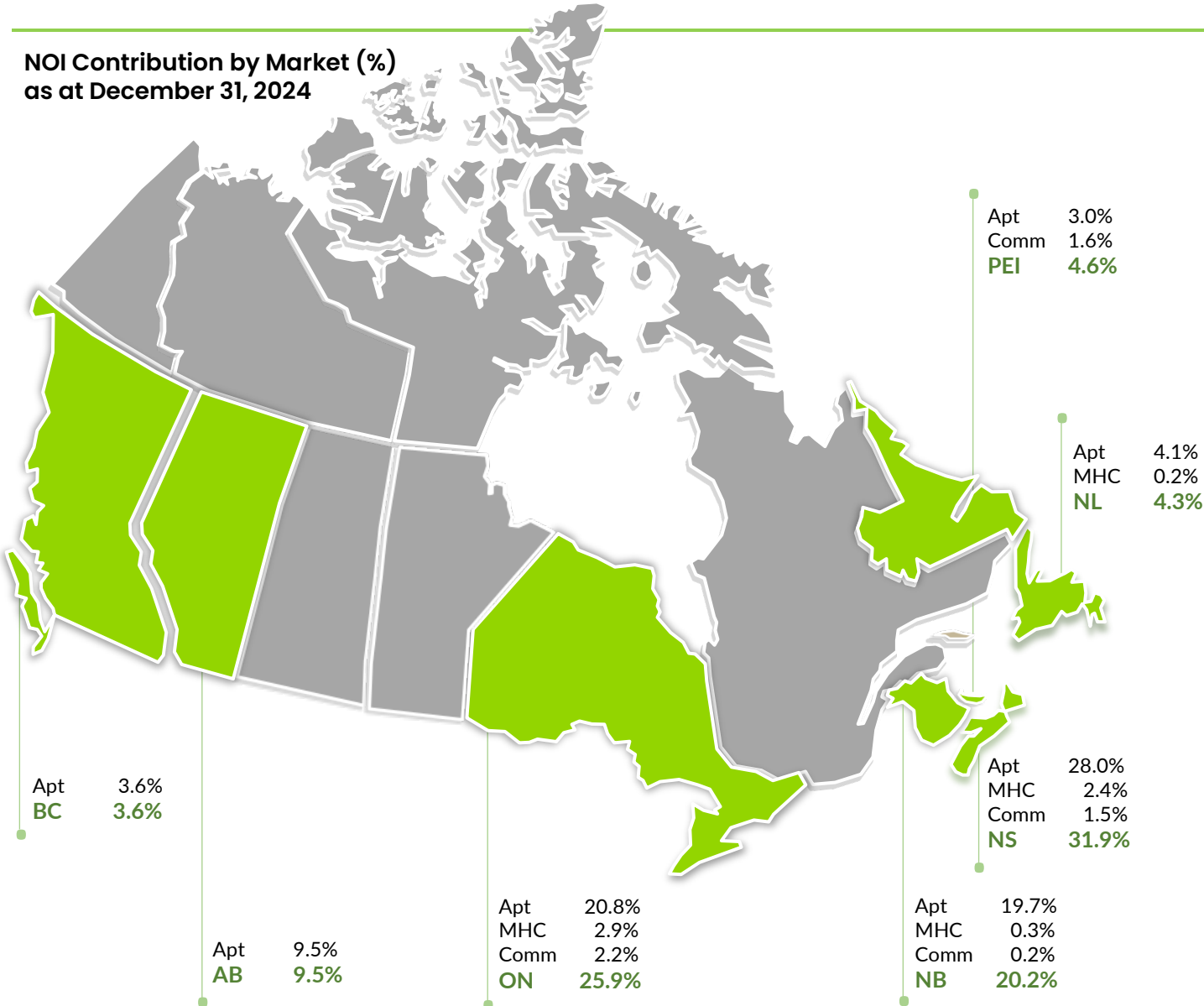


This presentation may contain forward-looking statements with respect to Killam Apartment REIT ("Killam") and its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "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 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 period ended December 31, 2024, 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.



# 2024 | Total Portfolio Results

NOI Contribution by Market (%)  
as at December 31, 2024



**2024  
Same Property  
NOI Growth**

Apartment  
**8.5%**

MHC  
**7.5%**

Commercial  
**6.3%**

# 2024 | Successful Performance Against Strategic Targets



✓ 2024: Grow same property NOI by minimum 8%

🎯 2025: Grow same property NOI by 4%-7%



TARGET MET ✓

Killam achieved same property NOI growth of **8.4%** in 2024.

✓ 2024: Sell a minimum of \$50 million of non-core assets

🎯 2025: Sell a minimum of **\$100-\$150 million** of non-core assets



TARGET MET ✓

Killam completed 10 dispositions totaling 338 units, for a combined sale price of **\$59.2 million**.

✓ 2024: Earn more than 38% of NOI outside Atlantic Canada

🎯 2025: Earn **more than 40%** of NOI outside Atlantic Canada



TARGET MET ✓

Killam generated **38.9%** of 2024 NOI outside Atlantic Canada.

✓ 2024: Break ground on two new developments

🎯 2025: Complete construction of **one development project** and break ground on **one additional** development.



TARGET MET ✓

In Q1-2024, Killam broke ground on **Eventide**, a 55-unit building located in Halifax, NS. Construction on **Wissler**, a 128-unit building located in Waterloo, ON, started in December 2024.

✓ 2024: Maintain debt as a percentage of total assets below 45%

🎯 2025: Maintain debt as a percentage of total assets **below 42%**



TARGET MET ✓

Killam's debt as a percentage of total assets was decreased to **40.4%** as at December 31, 2024 (December 31, 2023 - 42.9%).

✓ 2024: Invest a minimum of \$6 million in energy initiatives

🎯 2025: Invest a minimum of **\$6 million** in energy initiatives



TARGET MET ✓

Killam invested **\$6.8 million** in energy-efficiency initiatives in 2024.

# 2024 | Financial Highlights



**\$364.6M**  
Property Revenue

4.7% increase from \$348.2 million earned in 2023.

**\$1.18**  
FFO per Unit <sup>(1)</sup>

2.6% increase from \$1.15 per unit in 2024. AFFO per unit of \$0.99 increased 2.1% from 2023.

**8.4%**  
Same Property NOI Growth <sup>(2)</sup>

includes a 6.0% increase in same property revenue.

**71%**  
AFFO payout ratio <sup>(3)(4)</sup>

A 100-basis point improvement from 72% in 2023.

**40.4%**  
Total Debt as a % of Total Assets <sup>(5)</sup>

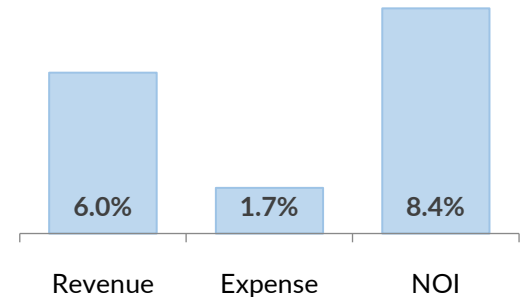
A 250-basis point decrease from 42.9% at December 31, 2023.



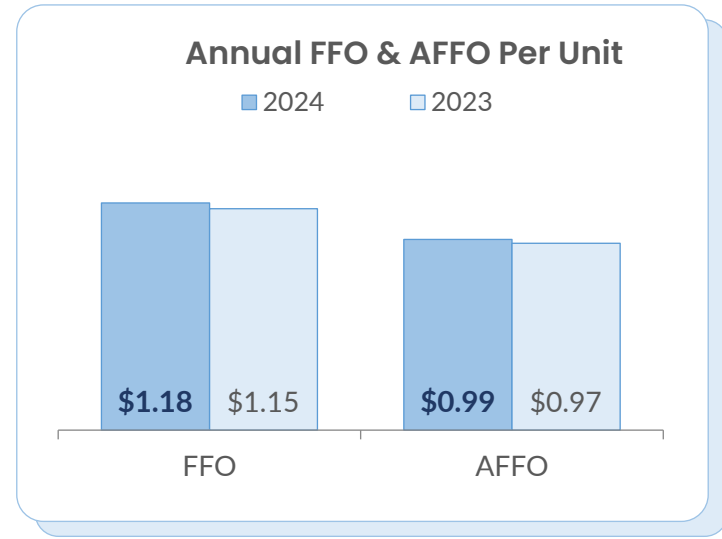
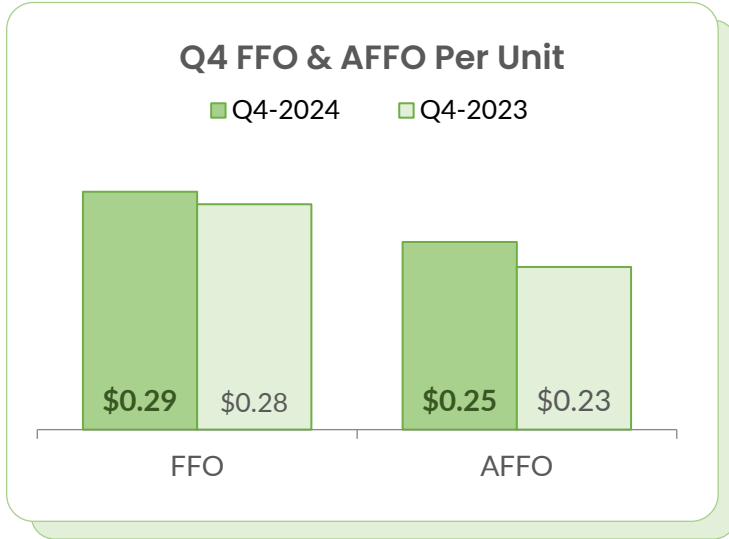
Luma - Ottawa, ON

## Same Property Portfolio

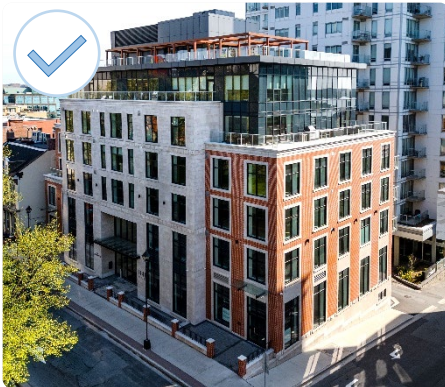
For the year ended December 31, 2024



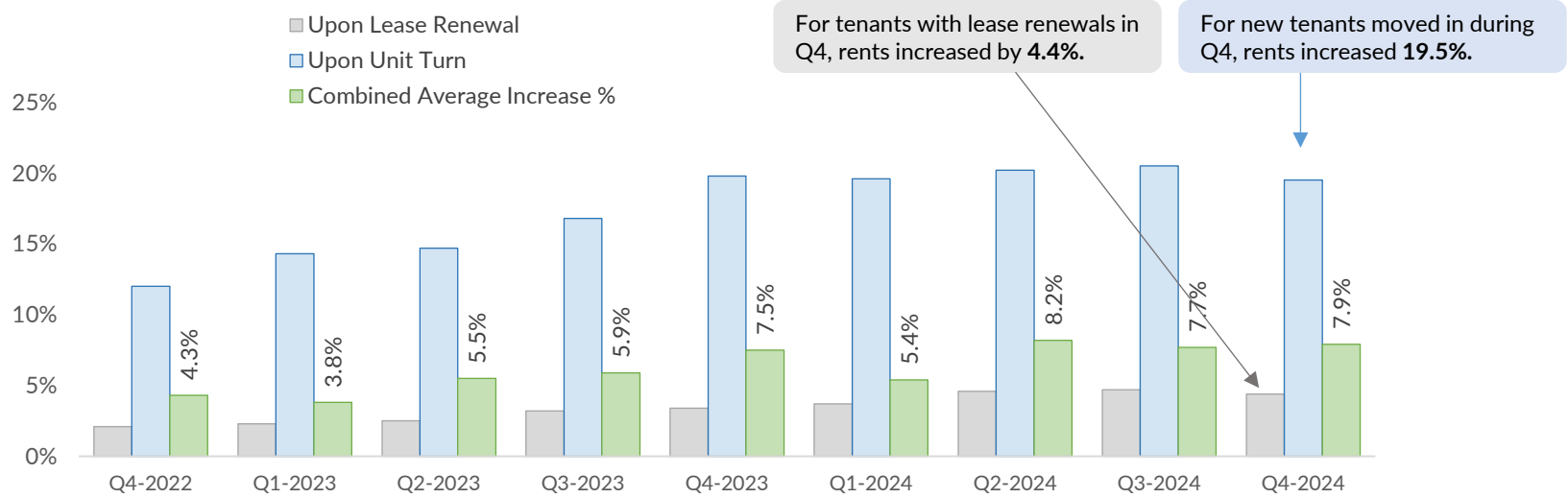
1) FFO per unit is a non-IFRS financial ratio. For a full description and reconciliation of non-IFRS measures, see slide 20 and page 30 of Killam's Management Discussion and Analysis for the period ended December 31, 2024.  
 2) Same property NOI growth is a supplementary financial measure. For a full description of same property metrics, see slide 20.  
 3) AFFO per unit and AFFO payout ratio are non-IFRS ratios. For a full description and reconciliation of non-IFRS measures, see slide 20 and page 30 of Killam's Management Discussion and Analysis for the period ended Dec. 31, 2024.  
 4) AFFO payout ratio presented in the rolling 12-month measure.  
 5) 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 20.



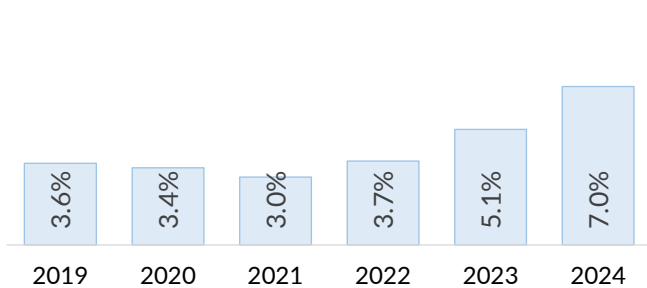
**INITIAL  
LEASE UP  
COMPLETE**



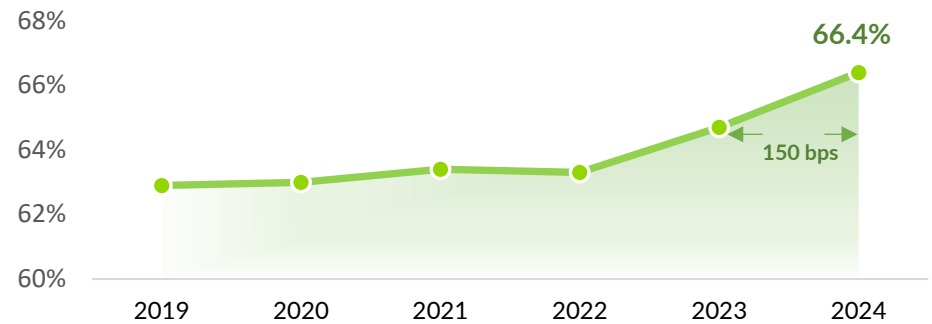
## Apartments Same Property Rental Rate Growth by Quarter



## Apartment Same Property Average Rental Rate Increase

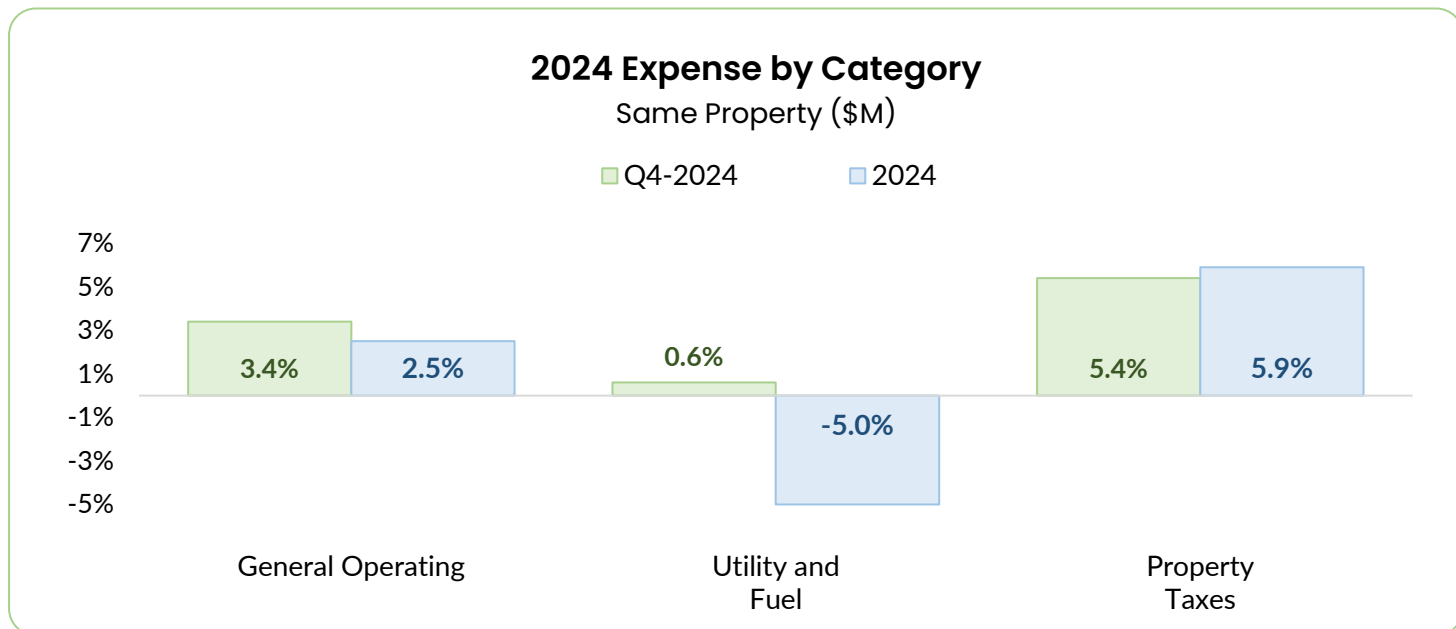


## Apartment Same Property Operating Margin Expansion



## Same property operating expenses increased by 1.7% in 2024

- Lower gas prices in the first half of the year contributed to a 5.0% reduction in utility and fuel expenses.
- The uptick in property taxes was due to higher assessments and mill rates across the portfolio, and the contrast of not having property tax subsidies in PEI (offered in 2023).







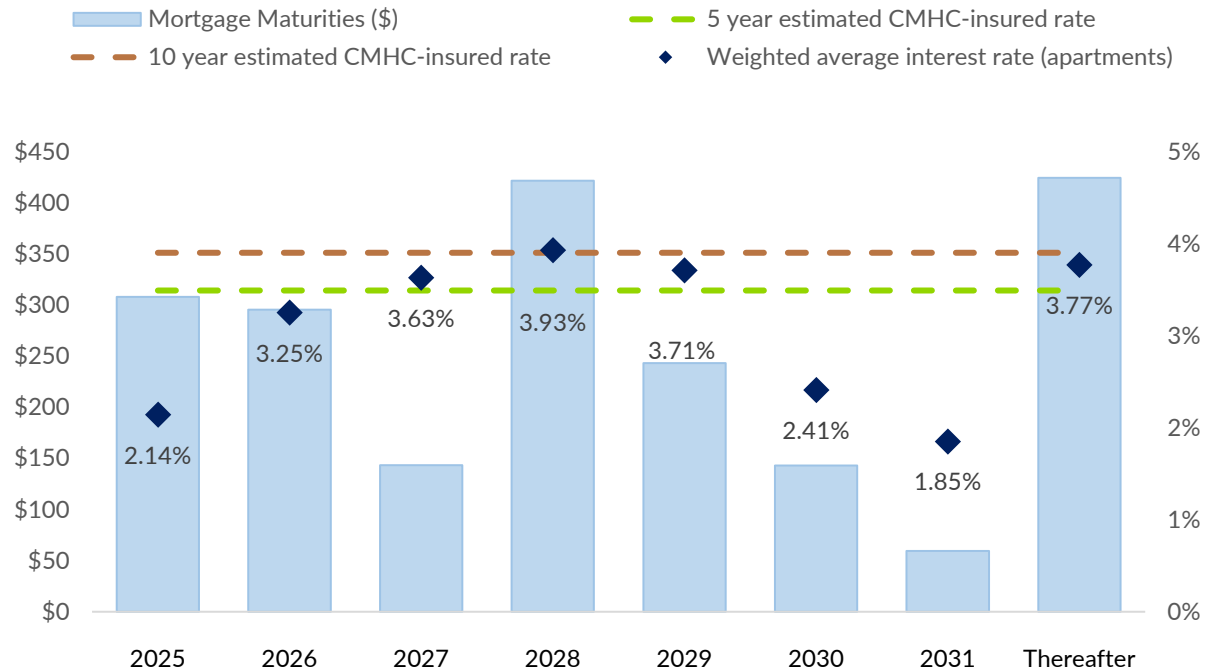
Weighted Avg Apartment Mortgage Interest Rate **3.45%**

Weighted Average Term to Maturity **4.0 years**

CMHC Insured Apartment Mortgages **83.0%**

## Apartment Mortgage Maturities by Year

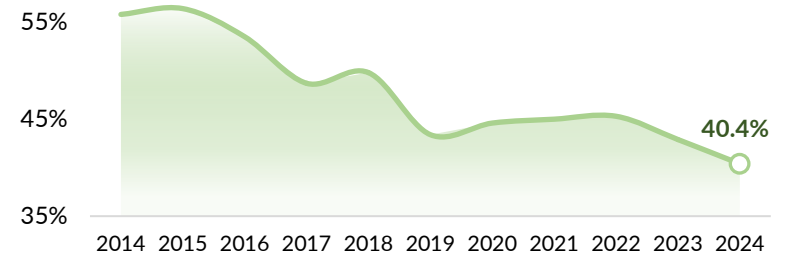
As at December 31, 2024



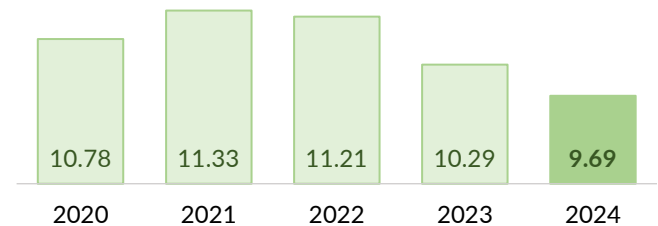
# 2024 | Conservative Debt Metrics for Enhanced Flexibility



**Total Debt as a % of Assets<sup>(3)</sup>**

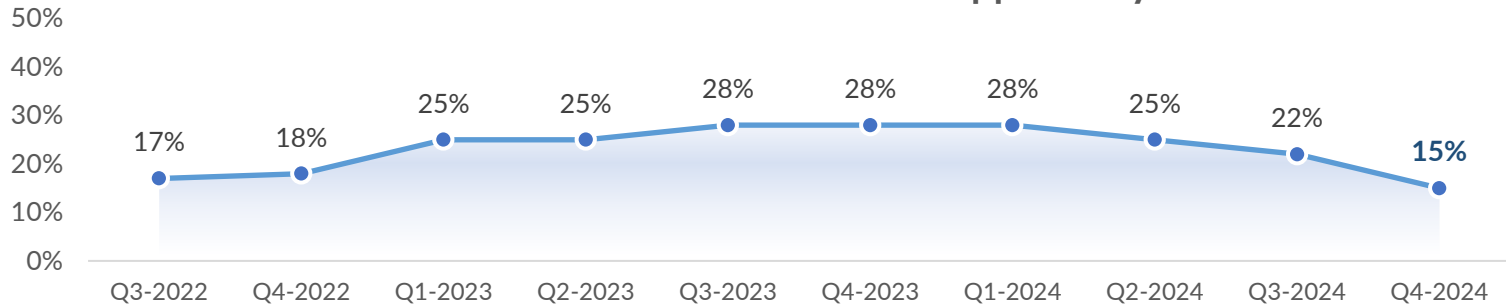


**Debt to Normalized EBITDA<sup>(2)</sup>**

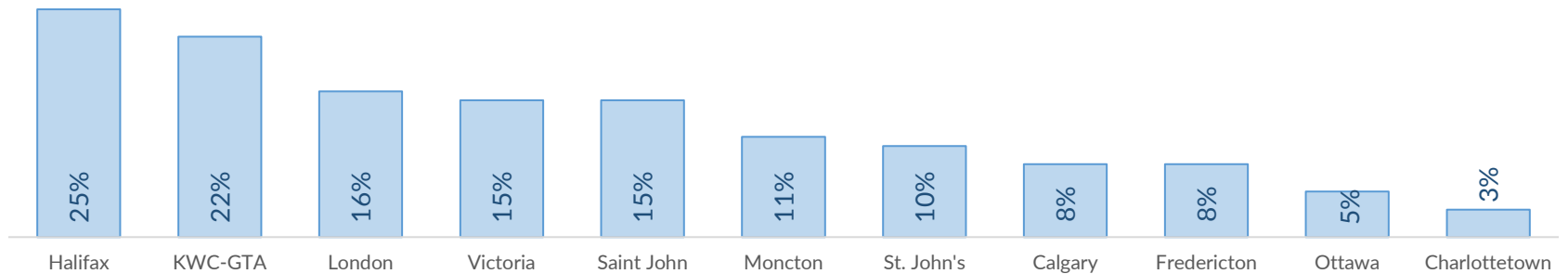


1) Debt to normalized EBITDA is a non-IFRS ratio. For a full description and calculation of the non-IFRS measures, see slide 20 and page 30 of Killam's Management Discussion and Analysis for the period ended December 31, 2024.  
 2) Total debt as a percentage of total assets is a capital management financial measure. For a full description of total debt as a percentage of total assets, see slide 20.

### Estimated Total Mark-to-Market Opportunity

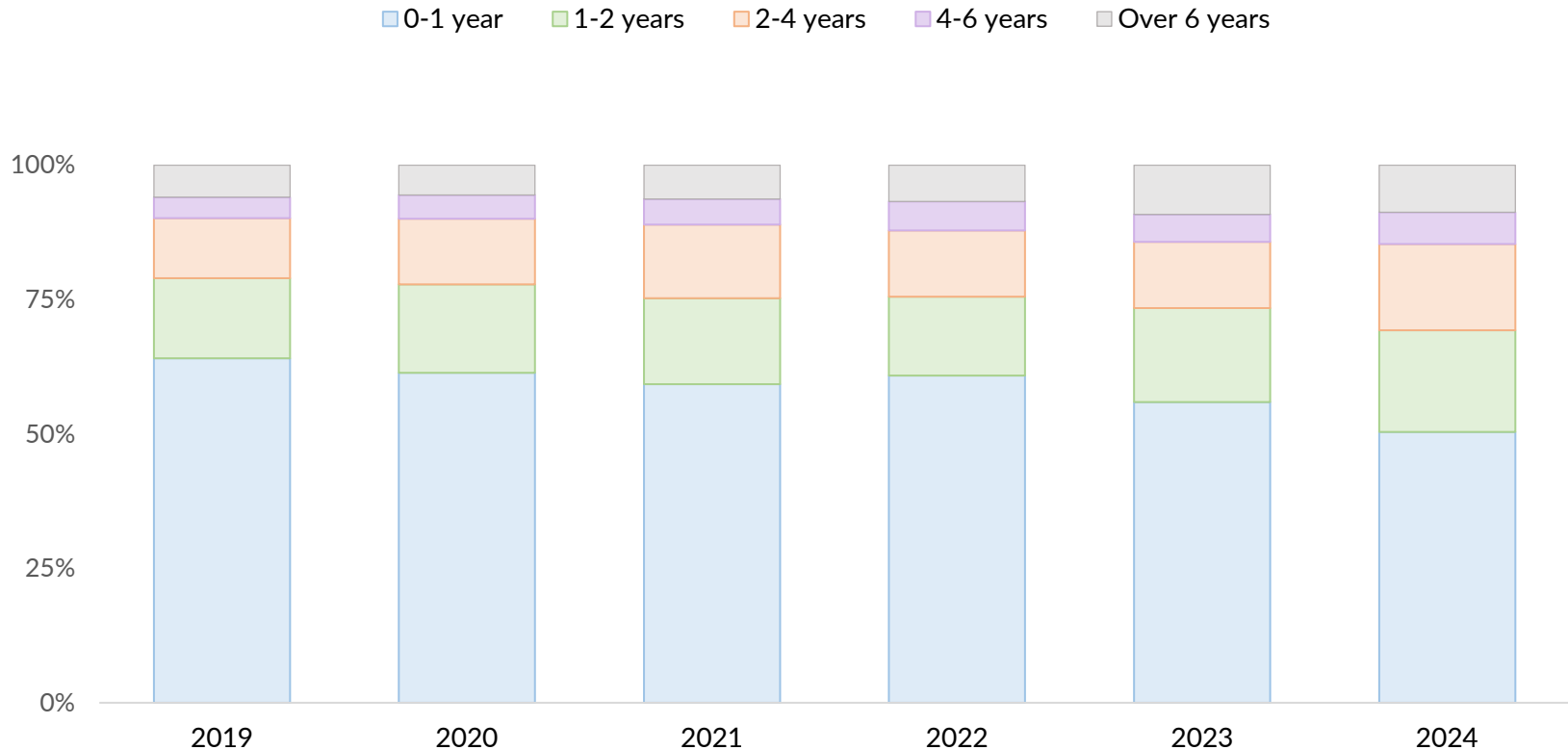


### Estimated Mark-to-Market Spread by Region



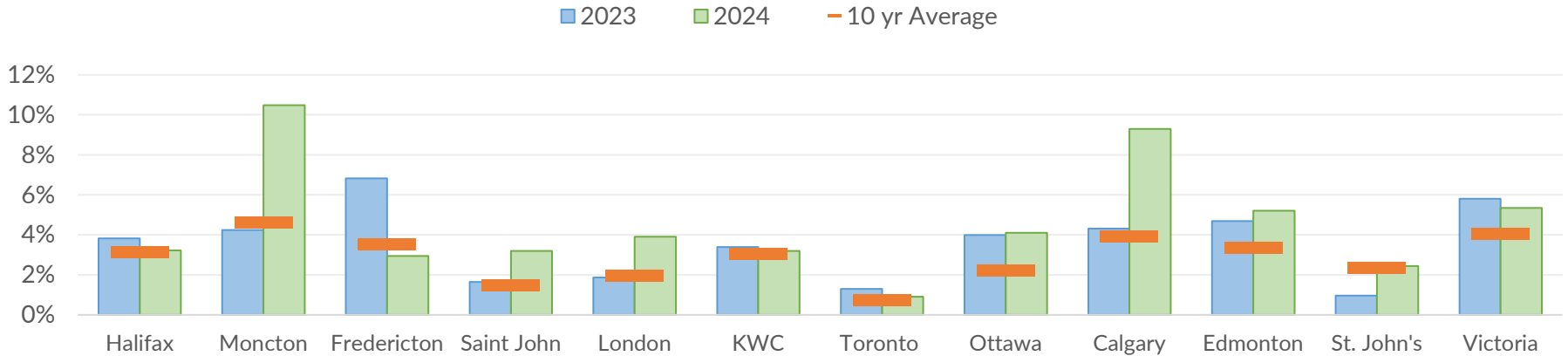
# 2024 | Tenure Length of Turned Units

In 2024, approximately 50% of units that turned were tenants who had been in their unit for only 1 year.

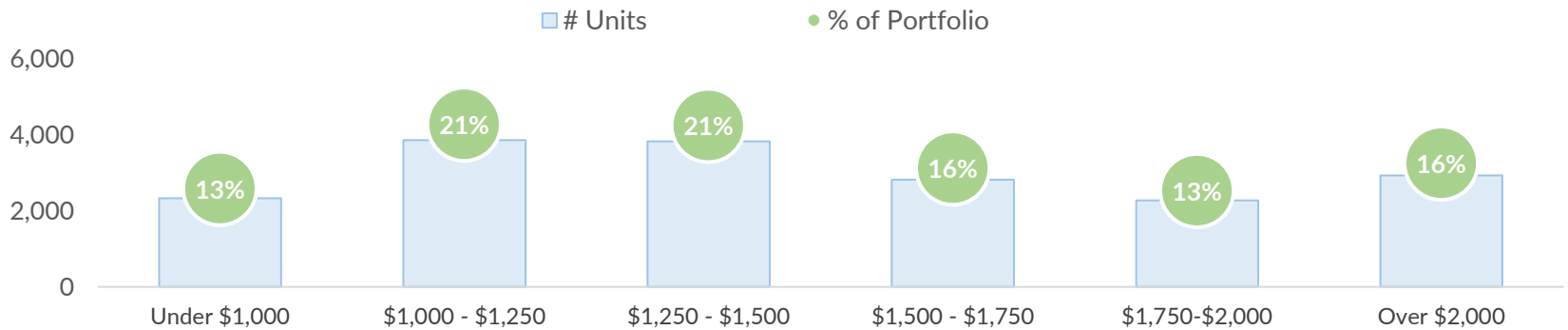




## Apartment Completions <sup>(1)</sup> as a Percentage of Existing Rental Inventory <sup>(2)</sup>



## Killam's Portfolio Distribution by Monthly Rent



(1) New Housing Construction Completions, Intended Market: Rental, December 2024 (CMHC Starts and Completions Survey)

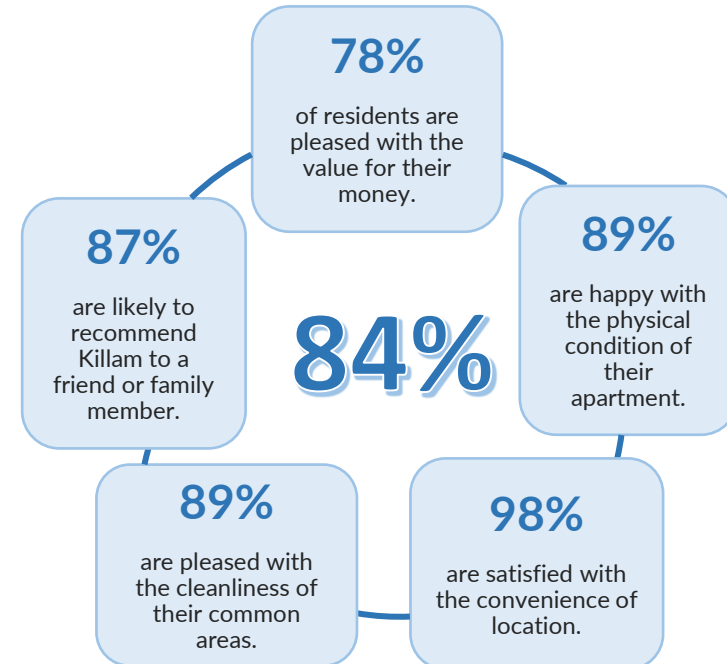
(2) Rental Universe, October 2024 (CMHC Rental Market Survey) combined with Estimated Number of Condominium Units used for Rental (CMHC Secondary Rental Market Survey)

## Before & After – Spring Garden Terrace



Aerial View – Spring Garden's new rooftop terrace

## 2024 Resident Survey Results



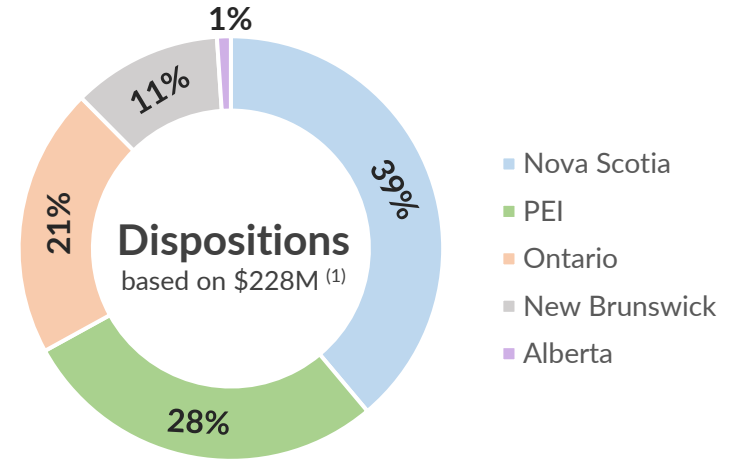
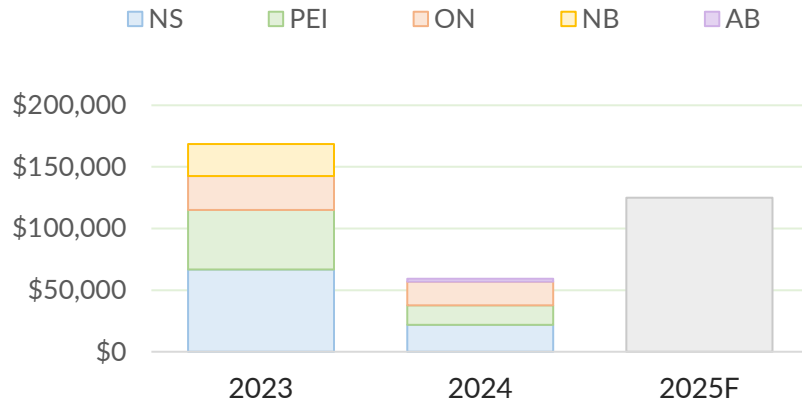
Recycling capital and divesting of slow growth assets while focusing on Killam's development program and strengthening its balance sheet are key components of Killam's strategy.

## 2024 Dispositions

Property	Location	Disposition Date	Sale Price (\$ 000's)	Units
Plaza 54 [40% interest]	Calgary, AB	February 2024	\$2,400	Land
Woolwich	Guelph, ON	May 2024	\$19,150	84
Bridlewood Apartments	Charlottetown, PEI	July 2024	\$8,430	66
5231 Kent Street	Halifax, NS	September 2024	\$5,250	27
Belvedere	Charlottetown, PEI	September 2024	\$4,250	51
9 Bruce Street	Halifax, NS	October 2024	\$8,200	60
Sherwood Crossing land parcel	Charlottetown, PEI	November 2024	\$390	Land
Haviland St.	Charlottetown, PEI	November 2024	\$2,700	Land
9 Sybyl Court	Halifax, NS	December 2024	\$3,800	22
2 Linden Lea & 83-87 Pleasant St.	Halifax, NS	December 2024	\$4,600	28
<b>Total to-date</b>			<b>\$59,170</b>	<b>338 units</b>

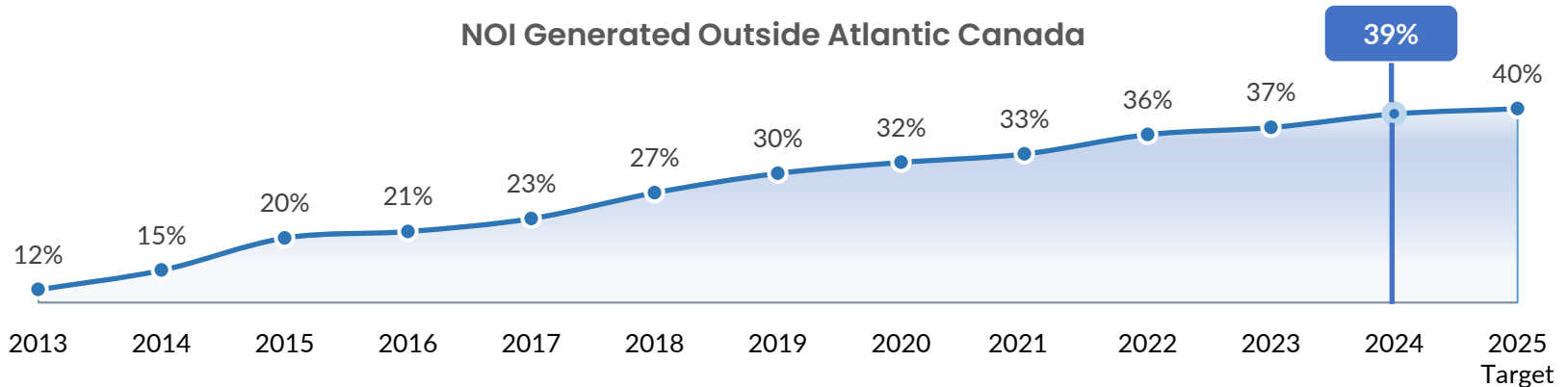
# 2024 | Geographic Repositioning through Dispositions

**Total Sales Value and Units Sold by Region**  
(\$ 000's)



(1) Total dispositions completed in 2023 and 2024.

**NOI Generated Outside Atlantic Canada**

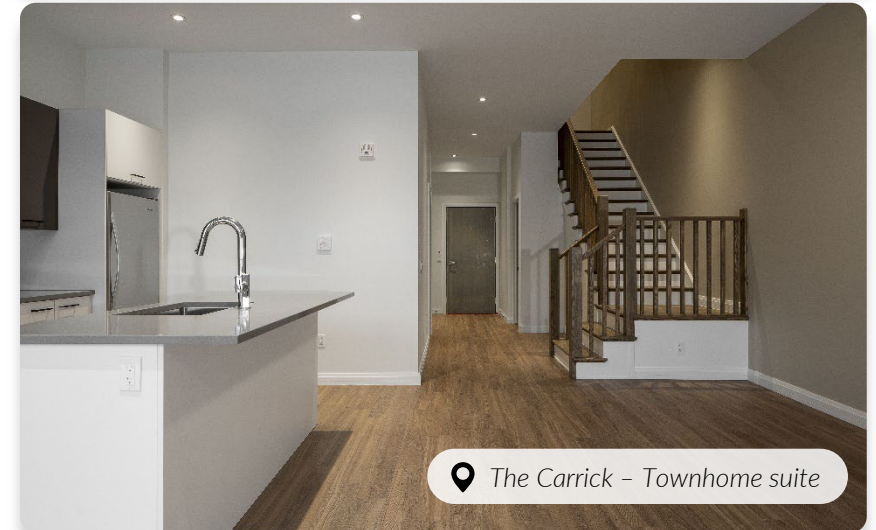
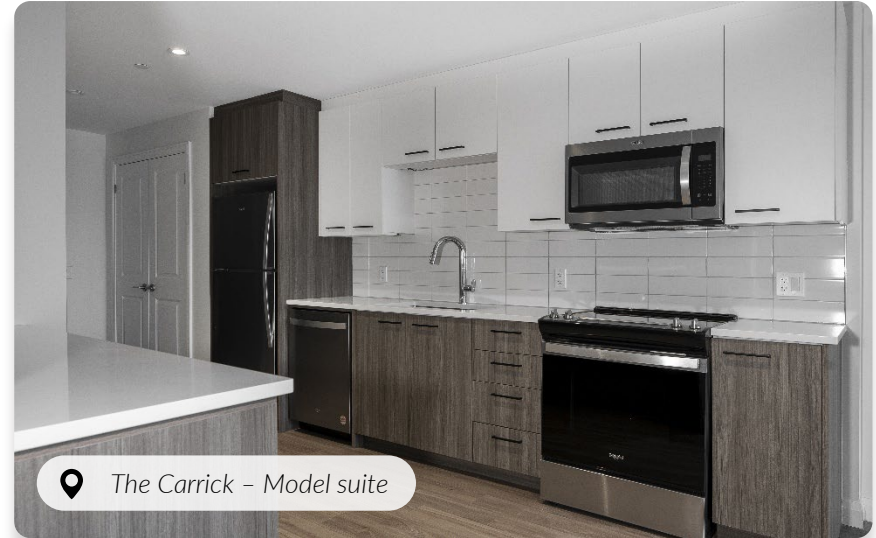




# 2024 | Development Underway: The Carrick – Waterloo, ON



Number of units	139
Start date	Q2-2022
Est. completion date	June 2025
Project budget	\$89.1M
Cost per unit	\$641,000
Expected yield <sup>(1)</sup>	4.00%-4.25%
Avg rent	\$2.75-\$3.00 per SF
Avg unit size	800 SF



(1) Anticipated all-cash yield is inclusive of the affordability criteria per the CMHC loan. The rate on the below-market CMHC loan is fixed for 10 years as of the time of the first construction draw in 2023.



# 2024 | Development Underway: Eventide – Halifax, NS



Number of units	55
Start date	Q1-2024
Est. completion date	2026
Project budget	\$34.7M
Cost per unit	\$631,000
Expected yield	4.50%-5.00%
Avg rent	\$3.50-\$3.75 per SF
Avg unit size	765 SF



# 2024 | Development Underway: Wissler – Waterloo, ON



Project Rendering



Construction Progress – January 2025

Number of units	128
Start date	Q4-2024
Est. completion date	2026
Project budget	\$57.0M
Cost per unit	\$445,000
Expected yield	5.00%-5.50%
Avg rent	\$3.20-\$3.30 per SF
Avg unit size	744 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

- 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), restructuring costs, unrealized gains (losses) on derivative liability, internal commercial leasing costs, depreciation on an owner-occupied building, change in principal related to lease liabilities, and non-controlling interest. Restructuring costs is a new FFO adjustment related to the internal reorganization that was accomplished by way of a plan of arrangement (the "Arrangement"), as described on page 29. FFO is calculated in accordance with the REALPAC definition, with the exception of the restructuring costs.
- 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 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.
- 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, deferred tax (recovery) expense, financing costs, restructuring costs, 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, dispositions and developments, on a forward-looking basis. Transaction costs associated with the Plan of Arrangement are excluded from EBITDA.
- 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 2024 and 2023. Same property results represent 95.6% of the fair value of Killam's investment property portfolio as at December 31, 2024. Excluded from same property results in 2023 are acquisitions, dispositions and developments completed in 2023 and 2024, 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 2024 and 2023. 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.



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