



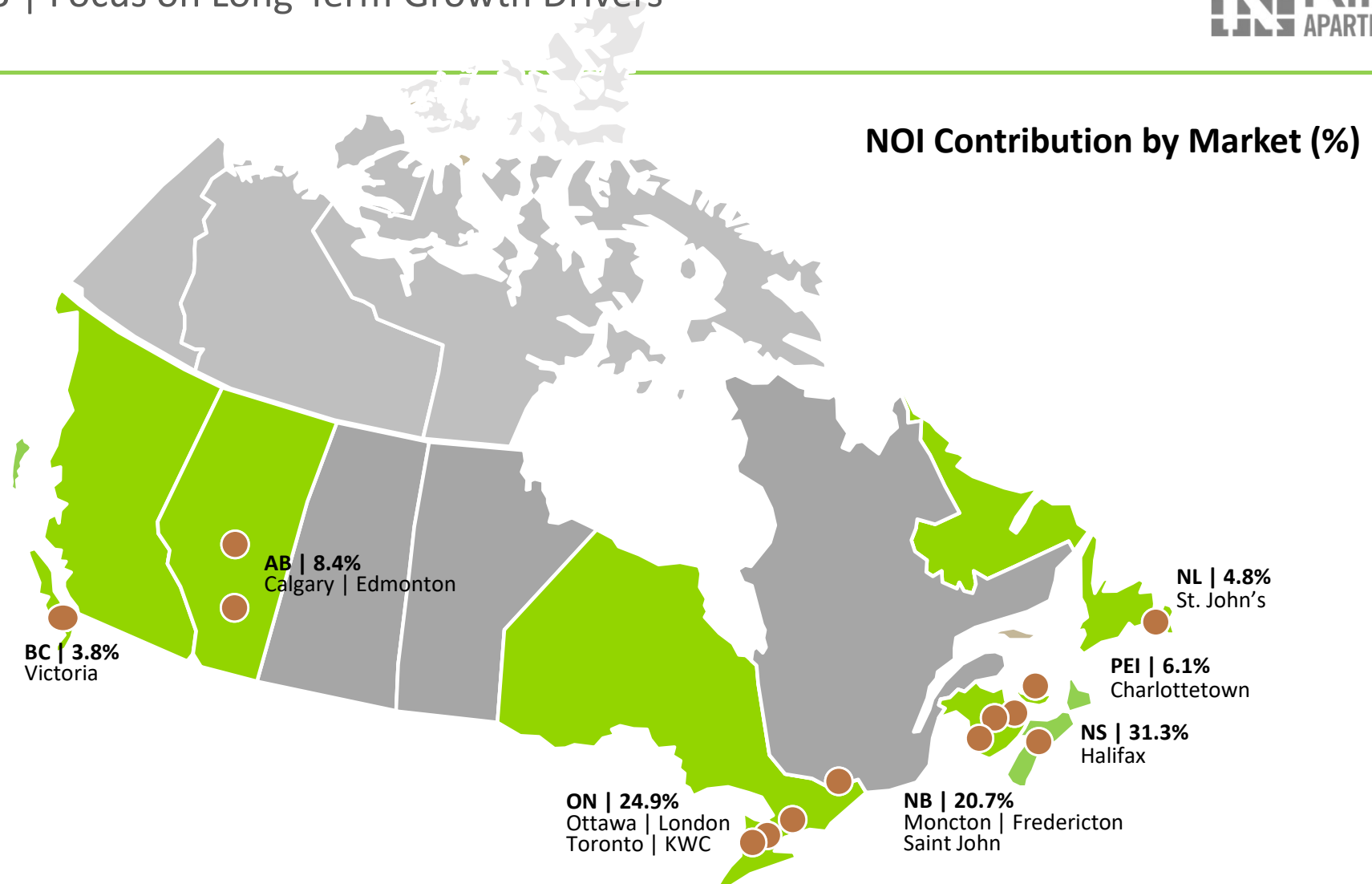
Q1-2023 Results Conference Call

May 4, 2023 | 9am EDT



Civic 66, Kitchener - 170 units

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 ended March 31, 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.

Q1-2023 | Strategic Targets



Target: Average 3.0%-5.0%

Killam achieved 6.3% same property NOI growth. Based on the results achieved to date in 2023, Killam expects same property NOI growth in 2023 to exceed 5.0%.



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

Killam completed the disposition of a 43-unit apartment building in Ottawa for \$9.8M. Subsequently, Killam completed the disposition of a 108-unit building in Halifax for \$33.0M. Killam has additional dispositions planned for the remainder of 2023 and expects to exceed its 2023 capital recycling target of \$100 million.



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

Killam generated 37.1% of NOI outside Atlantic Canada. The completion and lease-up of Civic 66 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.

Killam is on track to meet this target; The Governor, a 12-unit building in Halifax, NS, and Civic 66, a 169-unit building in Kitchener, ON, are expected to be completed in Q2-2023.



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

Killam's debt as a percentage of total assets is 44.6%.



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

Killam invested \$1.2 million in energy-efficiency projects.



88 Sunset, Moncton – 162 units

\$83.4M

Net Income

Includes \$50.8 million of net operating income, up 12.3% from Q1-2022.

\$0.25

FFO per Unit⁽¹⁾

A 4.2% increase from \$0.24 per unit in Q1-2022. AFFO per unit increased 5.0% from Q1-2022.

6.3%

Same Property NOI Growth⁽²⁾

6.3% growth in Q1-2023 includes 5.4% same property revenue growth.

84%

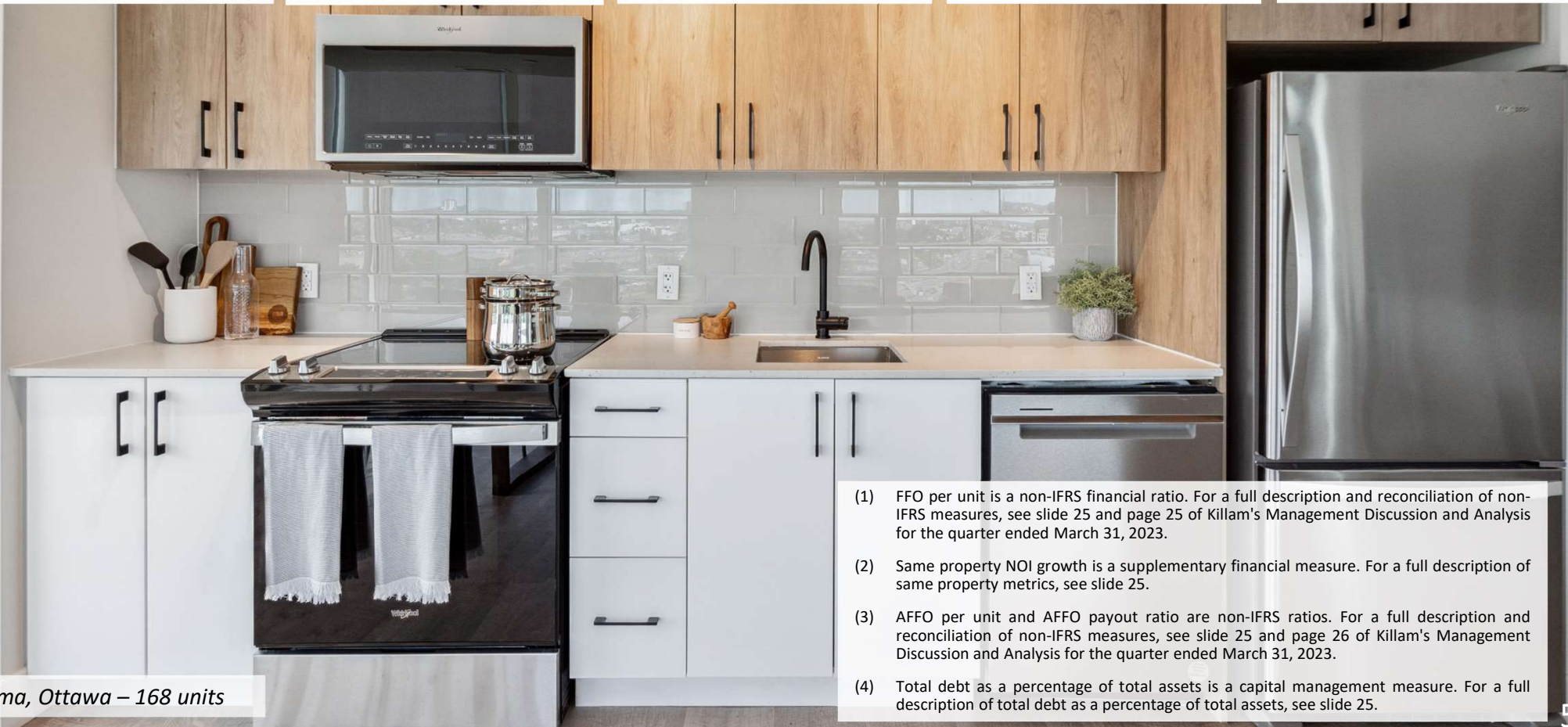
AFFO payout ratio⁽³⁾

AFFO payout ratio was 84%, a 300-basis point decrease from Q1-2022.

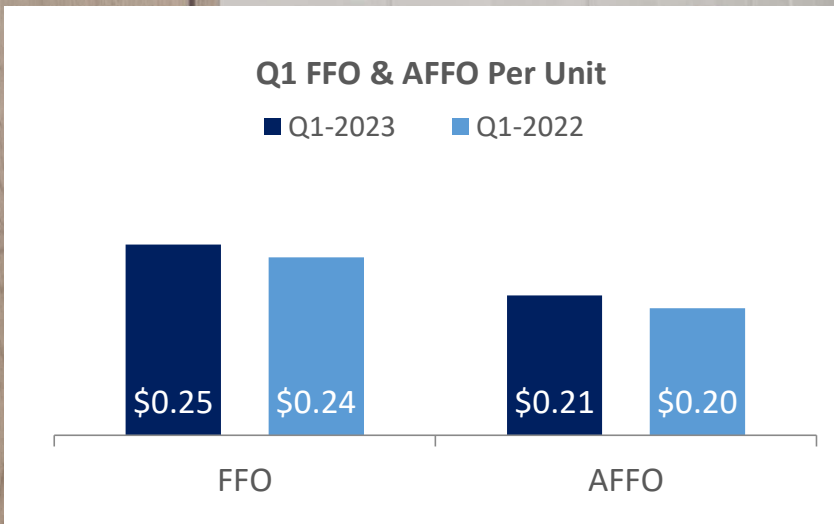
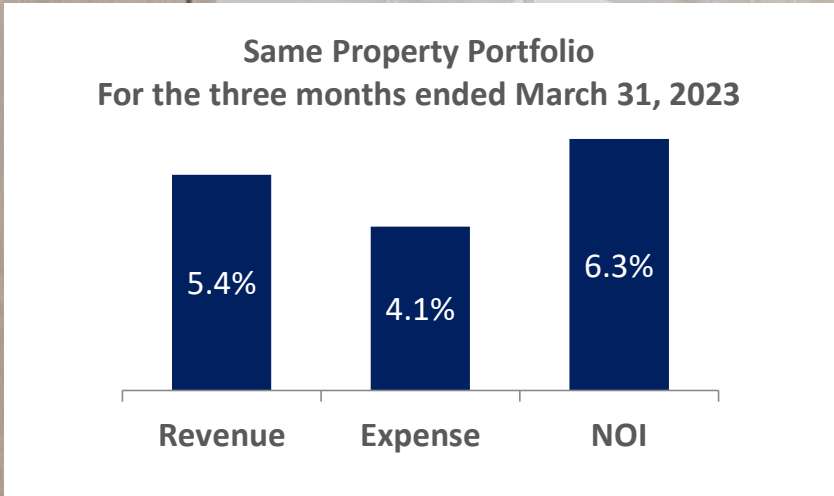
44.6%

Total Debt as a % of Total Assets⁽⁴⁾

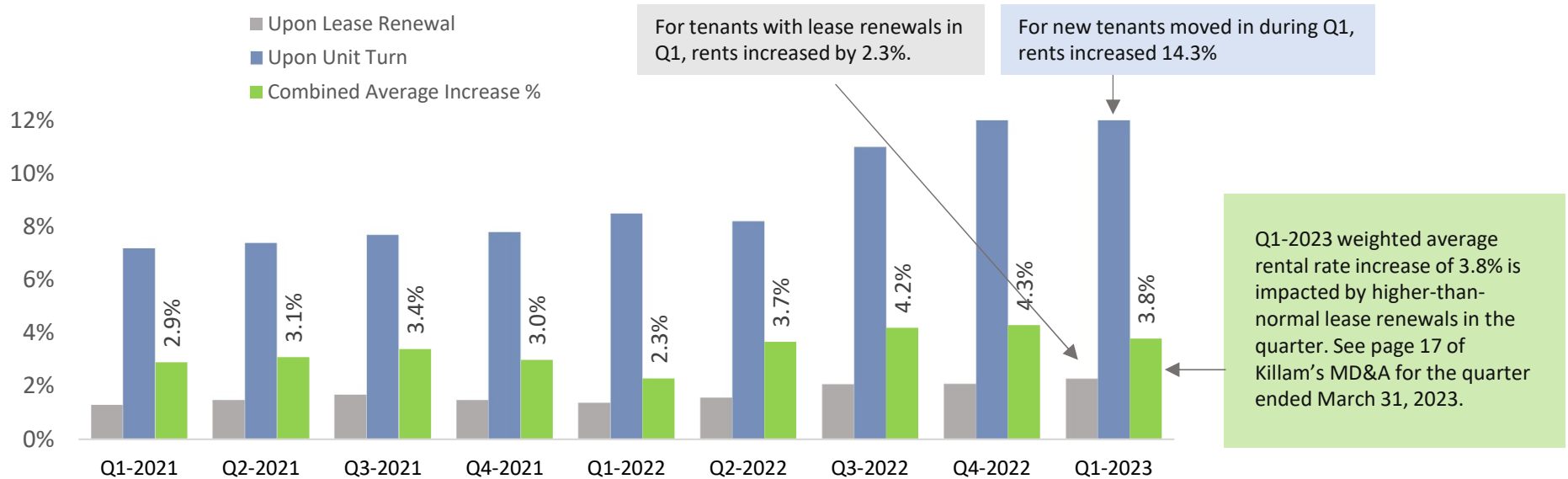
Retaining a conservative balance sheet.



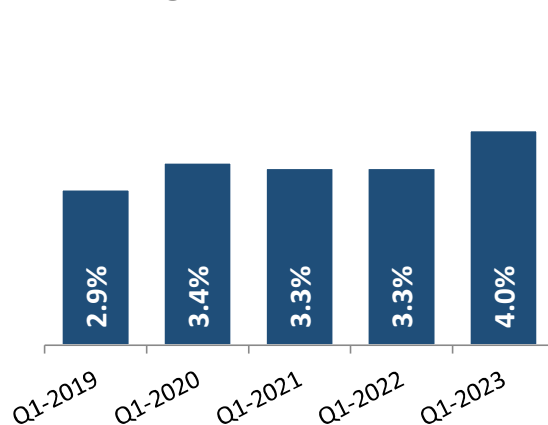
- (1) FFO per unit is a non-IFRS financial ratio. For a full description and reconciliation of non-IFRS measures, see slide 25 and page 25 of Killam's Management Discussion and Analysis for the quarter ended March 31, 2023.
- (2) Same property NOI growth is a supplementary financial measure. For a full 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 26 of Killam's Management Discussion and Analysis for the quarter ended March 31, 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.



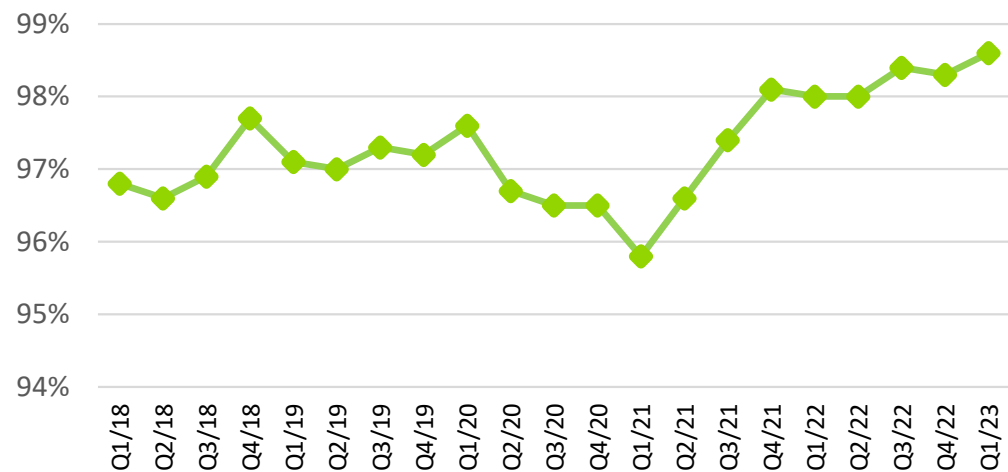
Apartments Same Property Rental Rate Growth by Quarter



Apartments Same Property Average Rental Rate Increase



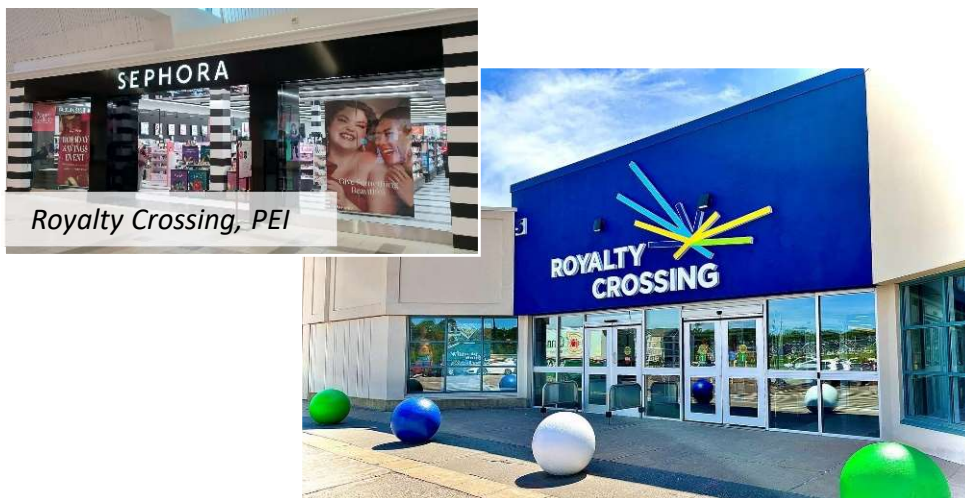
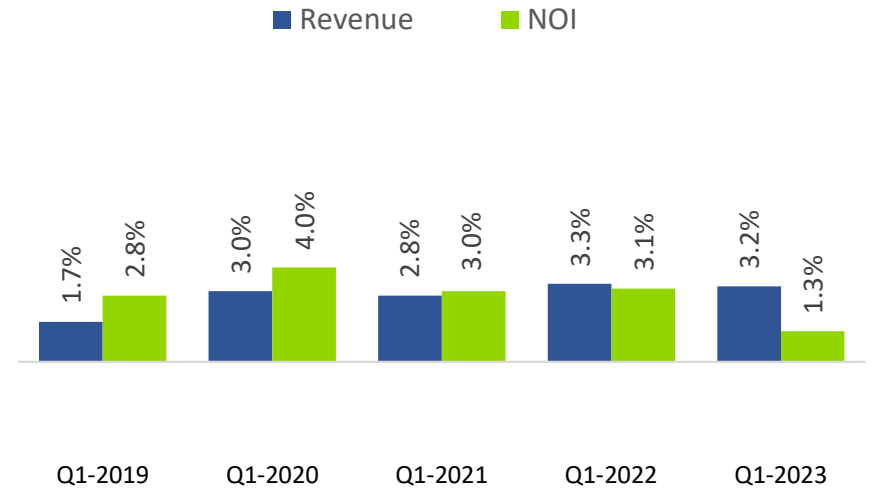
Apartments Same Property Occupancy⁽¹⁾



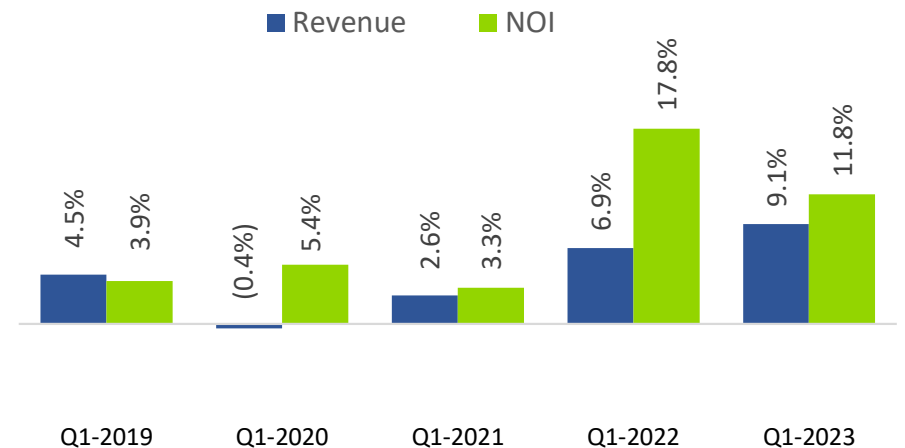
(1) Measured as dollar vacancy.



MHC Same Property NOI Growth

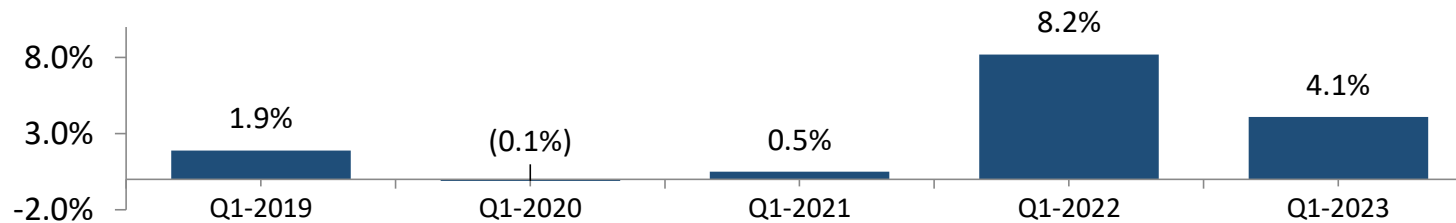


Commercial Same Property NOI Growth



Total same property operating expenses were up 4.1% in Q1-2023. The increase was driven by higher natural gas, oil, and propane prices which increased utility and fuel expenses by 8.9%.

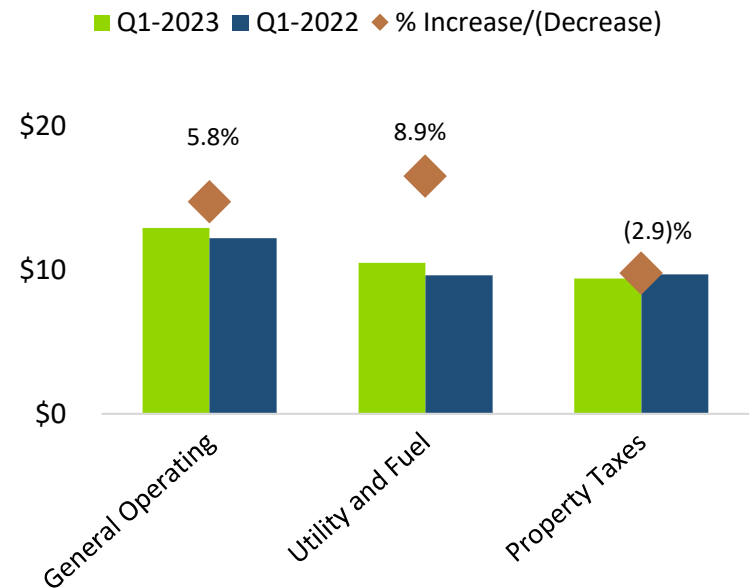
Same Property Expense Growth



EXPENSE MANAGEMENT

- Energy and water efficiency investments
- Employee investment and training
- Focused economies of scale strategies and process improvement
- Risk management plan
- Property-level NOI enhancing technology
- Targeted property tax appeals

Same Property Expense by Category (\$M)

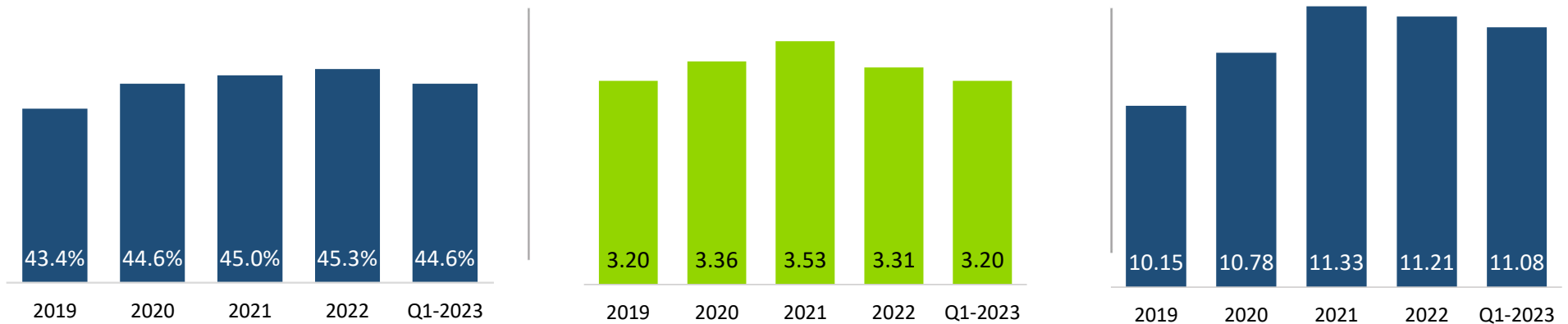


Q1-2023 | Conservative Debt Metrics

Total Debt as a % of Assets⁽¹⁾

Interest Coverage Ratio⁽²⁾

Debt to Normalized EBITDA⁽³⁾

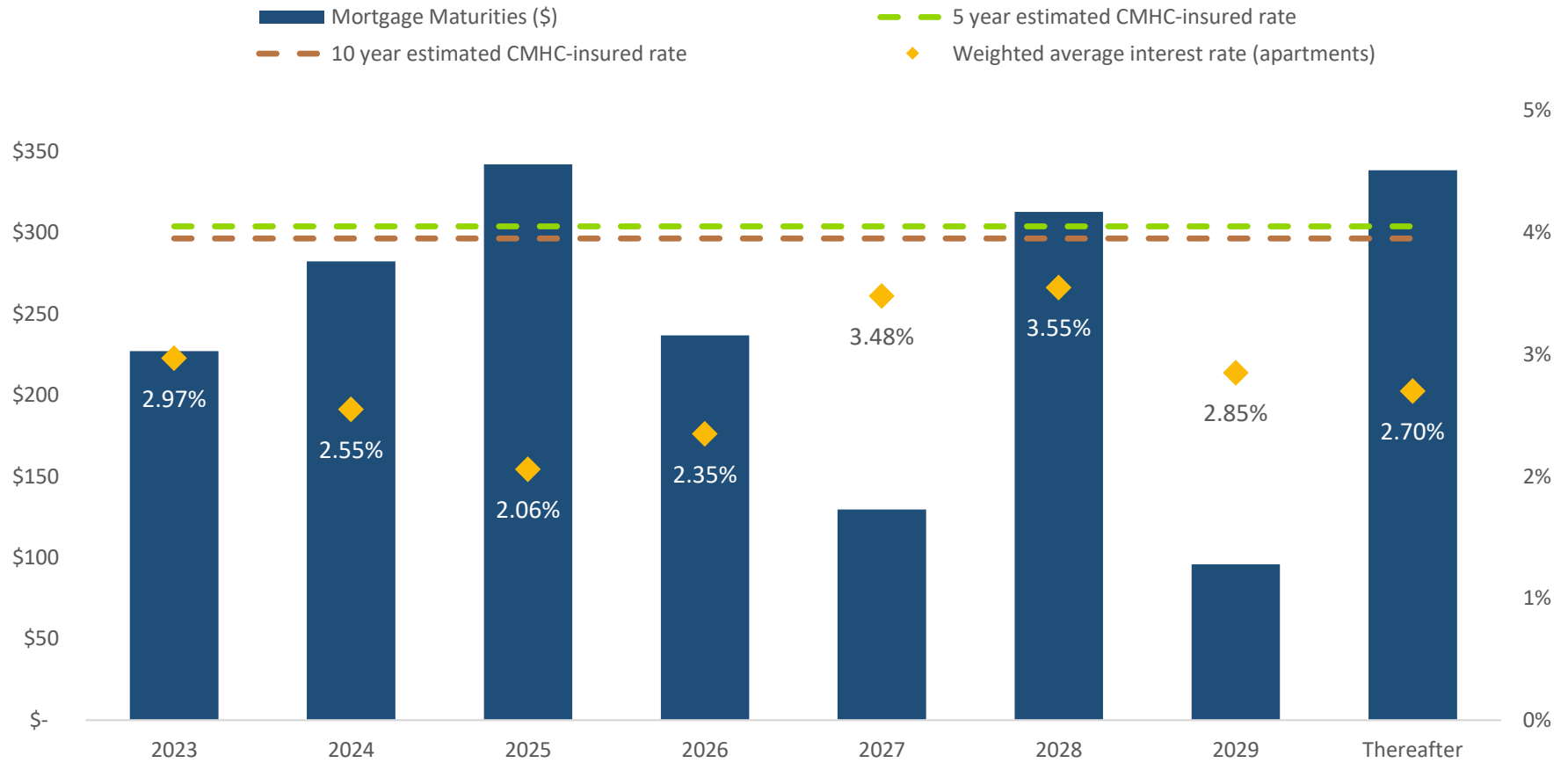


- (1) Total debt as a percentage of total assets is a capital management financial measure. For a full description of total debt as a percentage of total assets, see slide 26.
- (2) Interest coverage ratio is a non-IFRS ratio. For a full description and calculation of the non-IFRS measures, see slide 26 and page 29 of Killam's Management Discussion and Analysis for the period ended March 31, 2023.
- (3) Debt to normalized EBITDA is a non-IFRS ratio. For a full description and calculation of the non-IFRS measures, see slide 26 and page 29 of Killam's Management Discussion and Analysis for the period ended March 31, 2023.



S2, Halifax – 63 units

Apartment Mortgage Maturities by Year As at March 31, 2023



Weighted Average Mortgage Interest Rate
2.80%

Weighted Average Term to Maturity
3.8 years

Apartment Mortgages CMHC Insured
78.4%

Geothermal heating & cooling

32% less energy

47% less emissions



- ✓ Geothermal heating & cooling
- ✓ Air-to-Water heat pumps
- ✓ PV Solar Panels

 **52% less energy**

 **67% less emissions**





PATH TO TOTAL ELECTRIFICATION

Attempt No 1

Geothermal Heating and Cooling

Attempt No 2

Variable Refrigerant Flow (VRF) with
Piranha Wastewater-to-Water heat
pumps for hot water

Attempt No 3 – Success!

VRF with Aermec Air-to-Air heat
pumps for hot water



Variable Refrigerant Flow

- Unit Assigned Condensers
- Wi-fi Connected Programmable Thermostats
- Smart Device Charging during Power Outages
- All Parking is Level II EV Charging Ready

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
Year-to-date					\$42,800



Lakefront Apartments, Halifax – 396 units

240 units with a long-term affordability commitment through CMHC's MLI Select program



Lakefront Apartments
Committed 40% of units



Parker Street Apartments
Committed 40% of units

100%
leased ⁽¹⁾

Latitude, Ottawa



208 suites | January 2022

100%
leased ⁽¹⁾

The Kay, Mississauga



128 suites | April 2022

94%
leased ⁽¹⁾

Luma, Ottawa



168 suites | June 2022

⁽¹⁾ As of May 2, 2023

Killam currently has three developments underway, which will add an additional 320 new high-quality suites to Killam’s portfolio in the next two years.⁽¹⁾



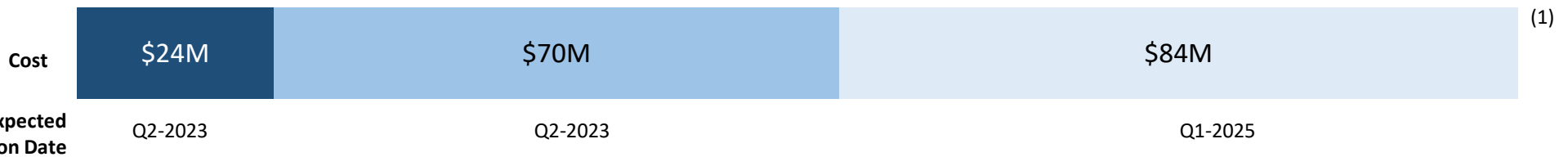
Governor | 12 units
Halifax



Civic 66 | 169 units
Kitchener

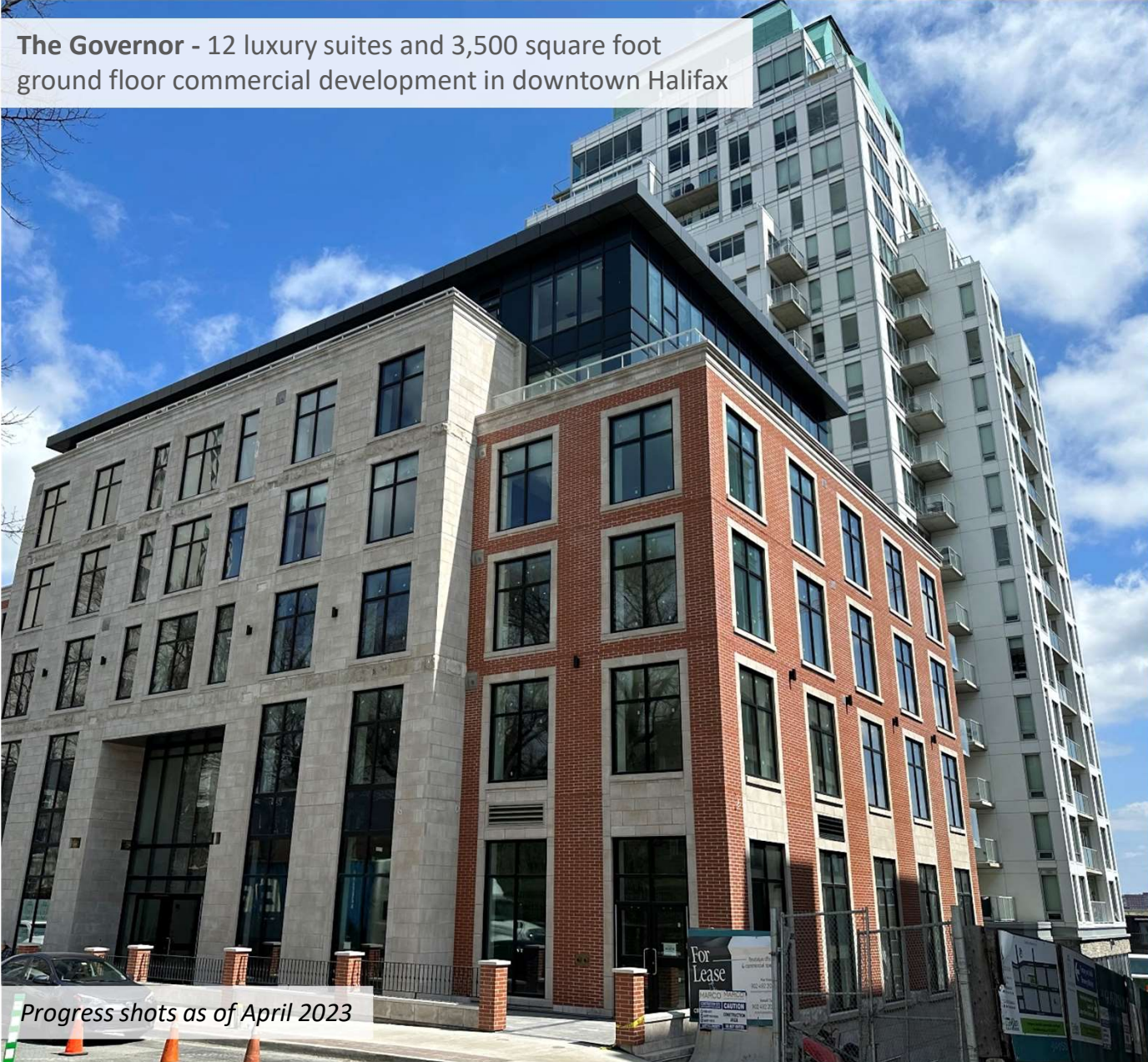


The Carrick | 139 units
Waterloo

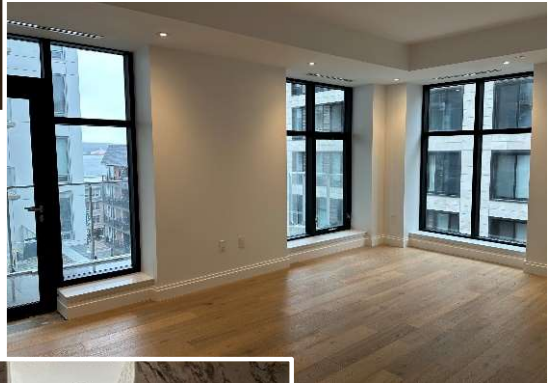


(1) In addition, Killam has a 10% interest in the second phase (234 units) of the Nolan Hill development in Calgary, AB, which broke ground during the fourth quarter of 2021 and is expected to be completed in 2023. Killam has a \$65.0 million commitment in place to purchase the property following completion of construction and the achievement of certain conditions.

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



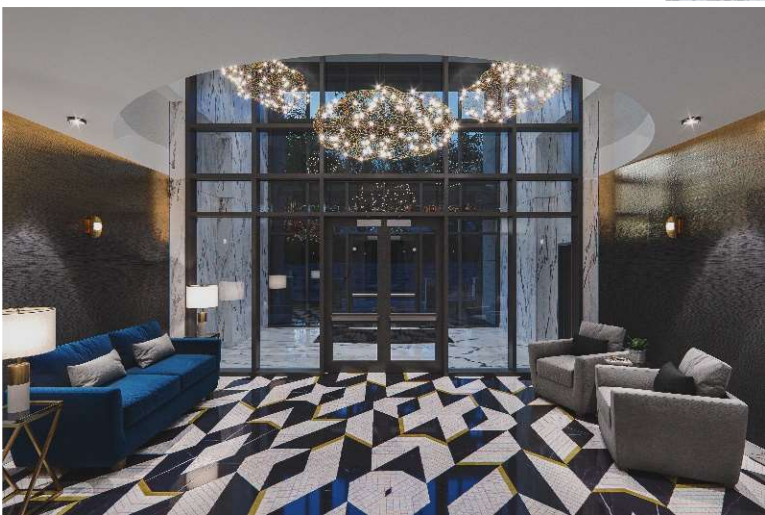
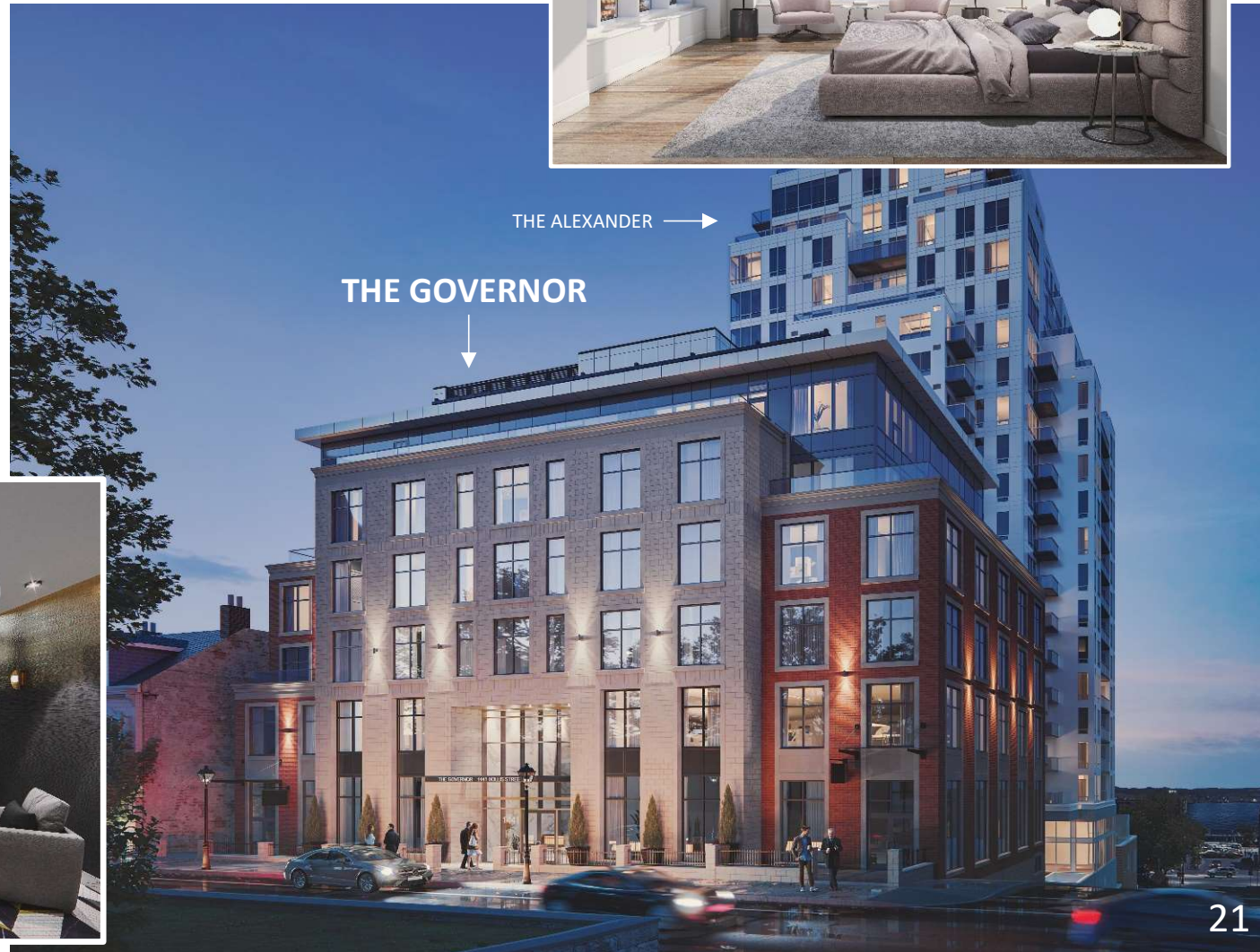
Progress shots as of April 2023

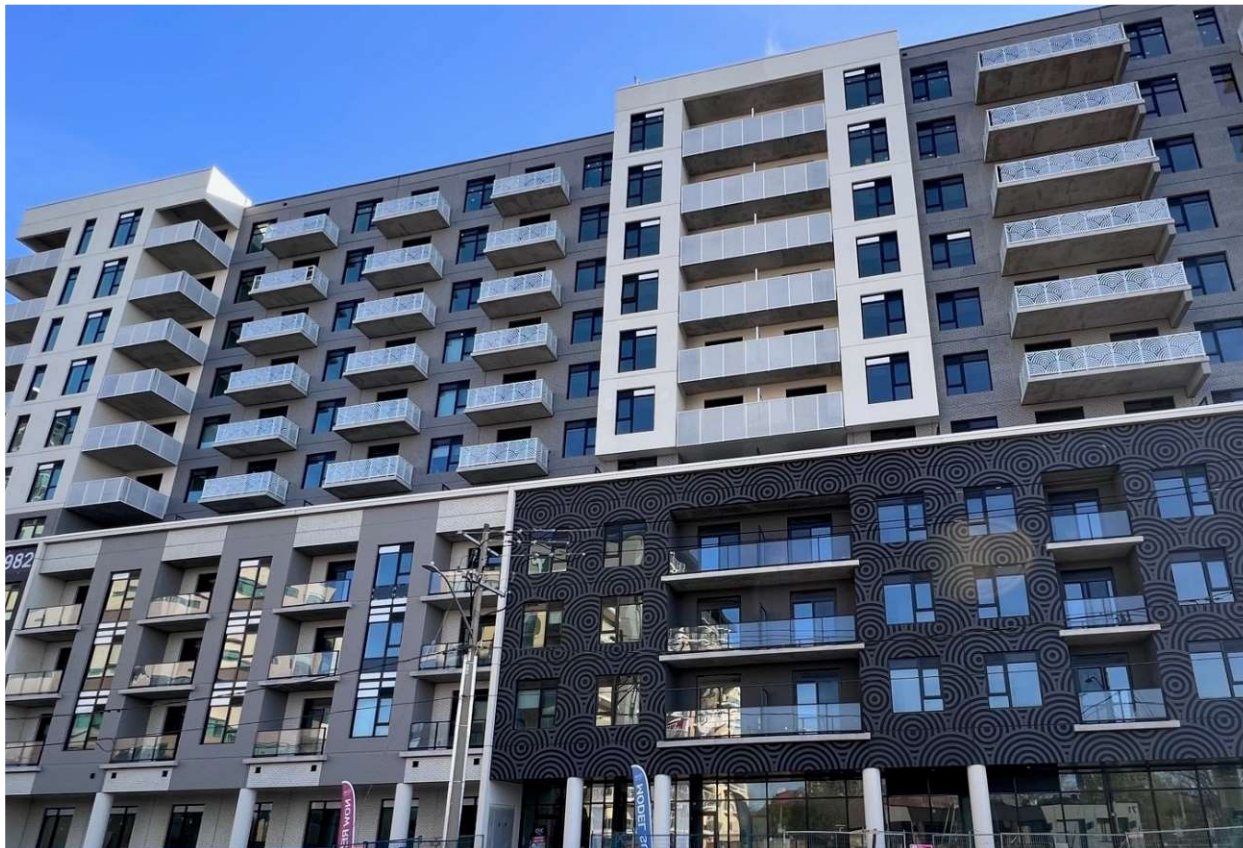


Q1-2023 | Development Activity – The Governor, Halifax

Luxury suites adjacent to existing properties; The Alexander & Brewery Market

Key Statistics	
Number of units	12
Start date	Q1-2021
Est. completion date	Q2-2023
Project budget (\$M)	\$24.3
Expected yield	4.00%-4.25%
Expected value cap-rate	3.50%
Avg unit size	2,350 SF +(330 SF terrace)
Avg rent	\$3.30 per SF





Green features:

- Sub-metered water
- PV solar panels
- Air-to-Water heat pumps
- Geothermal heating & cooling

Key Statistics

Number of units	169
Start date	Q3-2020
Est. completion date	Q2-2023
Project budget (\$M)	\$69.7
Cost per unit	\$412,000
Expected yield	4.75%-5.00%
Expected value cap-rate	3.50%
Avg unit size	780 SF
Avg rent	\$2.95 per SF

Q1-2023 | 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



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 **early 2024**

*Killam has a \$65.0 million commitment to purchase the property following completion of construction (est. early 2024) and the achievement of certain conditions.

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 95.6% of the fair value of Killam's investment property portfolio as at March 31, 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 Q1-2023 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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