

# INVESTOR PRESENTATION

May 2022





# CAUTIONARY STATEMENT

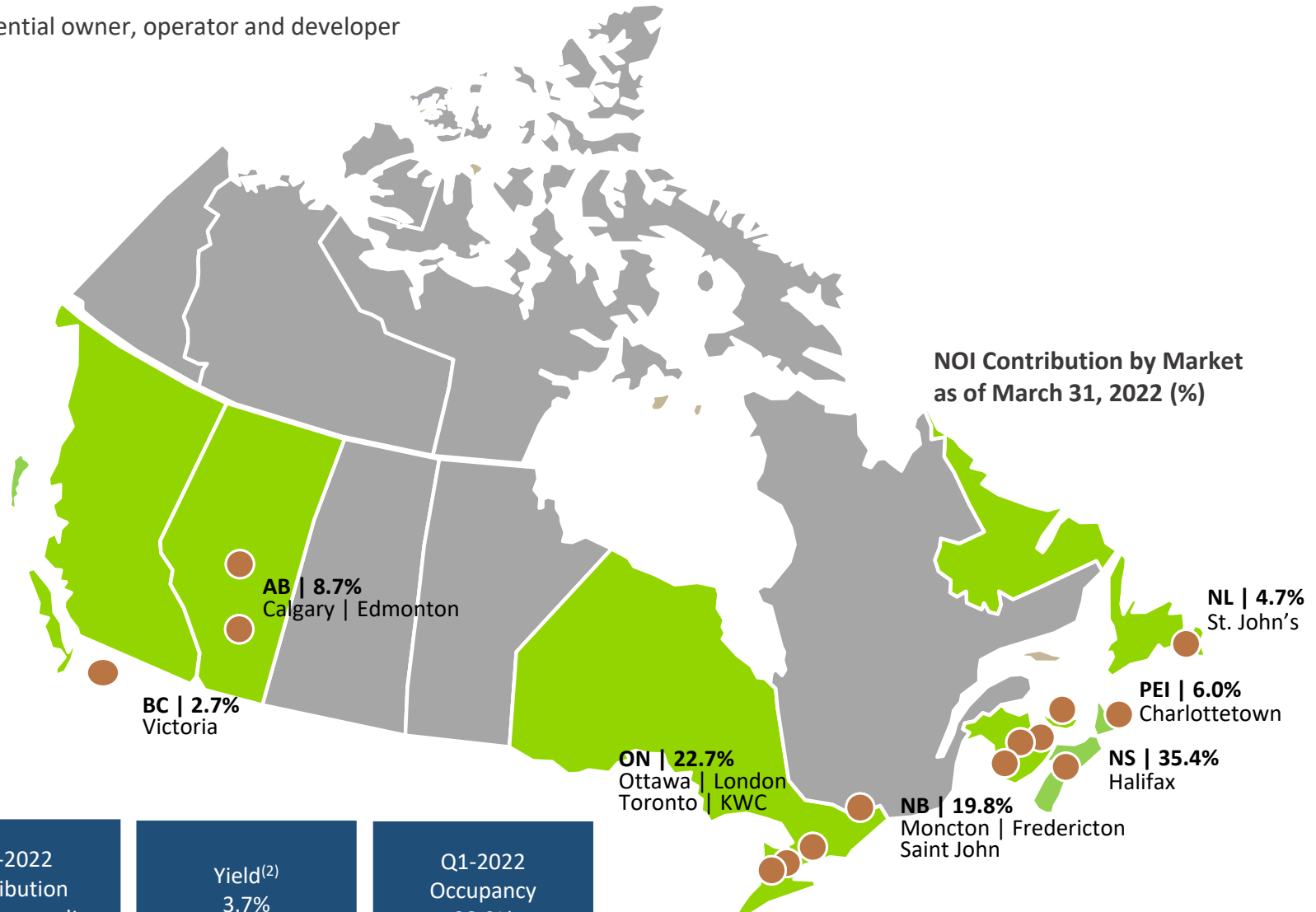
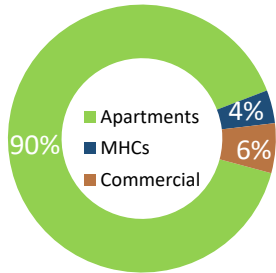
This presentation may contain forward-looking statements with respect to Killam Apartment REIT ("Killam") and its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "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, risks and uncertainties relating to the COVID-19 pandemic, general economic and market factors, competition, changes in government regulation and the factors described under "Risk Factors" in Killam's Annual Information Form and Management's Discussion and Analysis for the three months ended March 31, 2022, 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.



# PORTFOLIO STATISTICS

Best-in-class multi-family residential owner, operator and developer

NOI by Sector

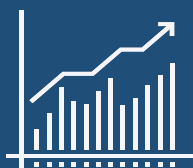


Market Capitalization <sup>(1)</sup> \$2.3B	Q1-2022 Distribution \$0.18 per unit	Yield <sup>(2)</sup> 3.7%	Q1-2022 Occupancy 98.0%
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Apartment Units 18,970	MHC sites 5,875	Commercial Properties 0.94 million SF	Avg Monthly Apartment Rent \$1,242	Portfolio Average Age 29 years
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(1) Includes exchangeable units.  
(2) As of May 16, 2022.

# WHY INVEST IN KILLAM



## Solid Operating Performance

Growing the portfolio and expanding geographically through accretive acquisitions, growing FFO, AFFO and NAV per unit



## High Quality Portfolio

One of Canada's highest-quality and youngest apartment portfolios with 38% of NOI generated from apartments built in the last 10 years



## Experienced Developer

\$1.7 billion development pipeline to support future growth



## Strong Balance Sheet

Conservative balance sheet with capital flexibility



## Technology & Data Driven Decisions

Revenue growth and operating efficiency opportunities



## Commitment to ESG

Continued progress on sustainability and ESG practices



## Increasing Distributions

5-years of increasing distributions and declining payout ratios



## Engaged Team

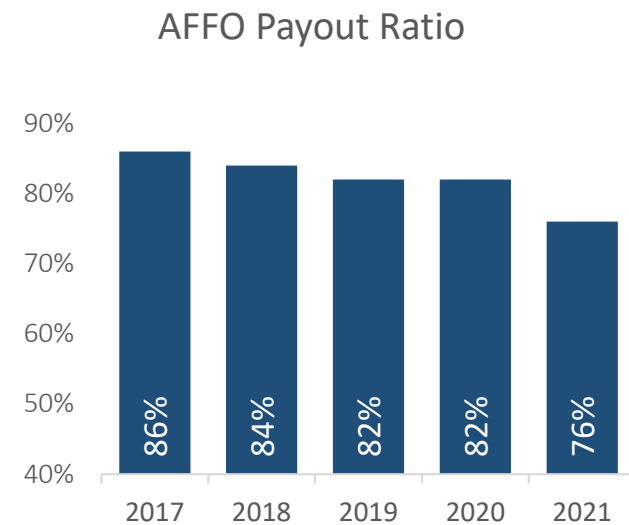
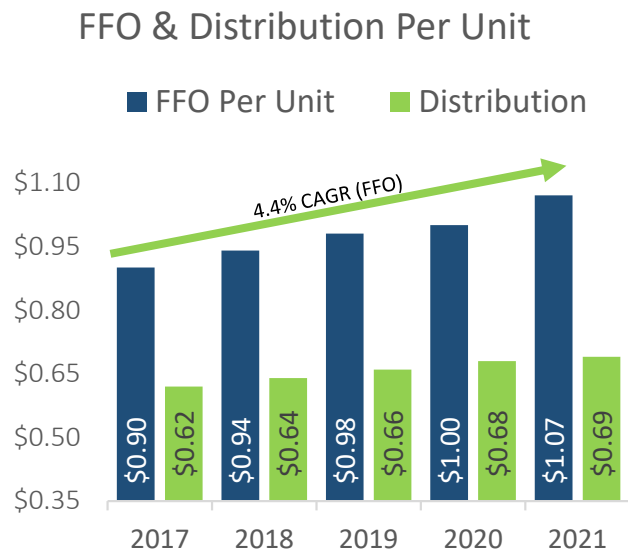
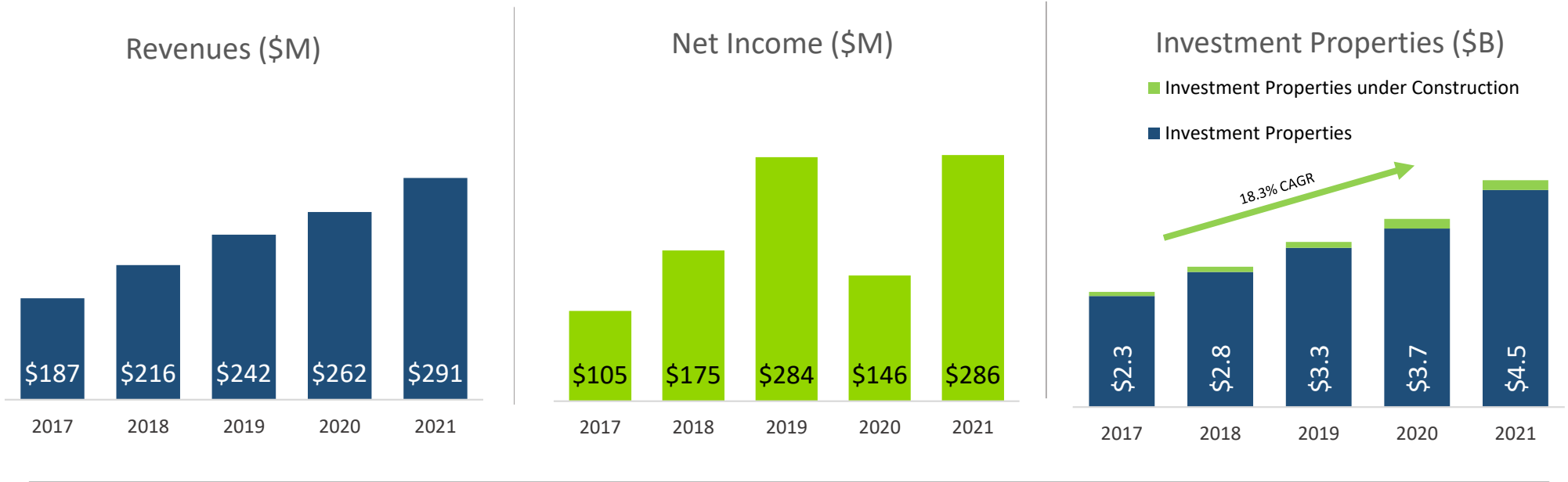
Experienced management team with broad knowledge of Killam's core markets



# 2022 STRATEGIC TARGETS

Grow	<p><b>Grow Same Property NOI</b></p> <ul style="list-style-type: none"><li>•2022 Target: 2.0% - 3.0%</li><li>•2022 Performance to-date: 3.1%</li></ul>
Expand	<p><b>Expand the Portfolio through Acquisitions</b></p> <ul style="list-style-type: none"><li>•2022 Target: Acquire a minimum of \$150M.</li><li>•2022 Performance to-date: \$60.5 million, with a commit to acquire an additional \$55.6 million in late May.</li></ul>
Diversify	<p><b>Diversify Geographically</b></p> <ul style="list-style-type: none"><li>•2022 Target: Earn &gt;35% of 2022 NOI outside Atlantic Canada.</li><li>•2022 Performance to-date: 34% of Q1-2022 NOI, on track to meet target.</li></ul>
Develop	<p><b>Develop High-Quality Properties</b></p> <ul style="list-style-type: none"><li>•2022 Target: Complete four developments and break ground on two additional developments.</li><li>•2022 Performance to-date: Two developments completed to-date, on track to meet target.</li></ul>
Strengthen	<p><b>Strengthen the Balance Sheet</b></p> <ul style="list-style-type: none"><li>•2022 Target: Maintain debt as a % of assets ratio below 45%.</li><li>•2022 Performance to-date: 43.3% as at March 31, 2022.</li></ul>
Improve	<p><b>Improve Sustainability</b></p> <ul style="list-style-type: none"><li>•2022 Target: Invest a minimum \$8.0M in energy initiatives to reduce Killam's carbon footprint.</li><li>•2022 Performance to-date: Invested \$1.1 million in Q1-2022 and over 50% of its 2022 energy projects are committed.</li></ul>

# PROVEN RECORD OF STRONG GROWTH



(1) Killam's distribution increased to \$0.70 per unit annually effective with the September 2021 distribution.





## DEVELOPMENT

Invest in developing high-quality energy efficient assets.

## ACQUISITIONS

Acquire high-quality multi-residential assets.

## JV INVESTMENT

Invest in joint development opportunities to maximize growth potential.

## DISPOSITIONS

Dispose of select properties to provide capital to acquire newer/higher earning assets.

## INTENSIFICATION

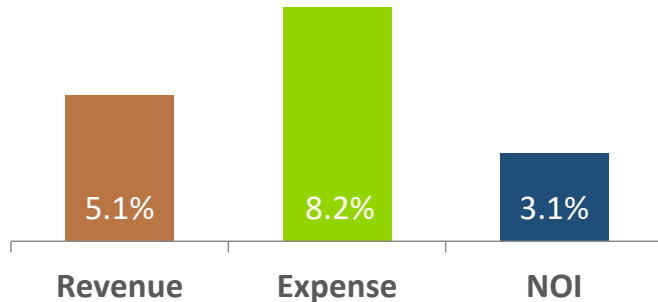
Intensifying existing assets with multi-residential developments.

## NOI ENHANCING CAPEX

Invest in energy-efficiency initiatives, suite renovations and building upgrades.

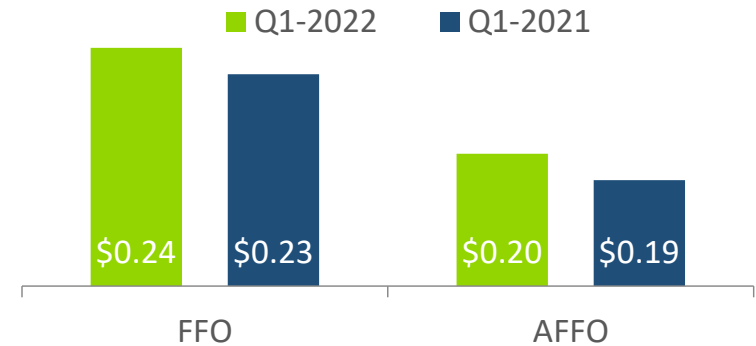
# Q1-2022 | FFO & AFFO PER UNIT GROWTH

**Same Property<sup>(1)</sup> Portfolio Performance  
For the three months ended March 31, 2022**



Same Property NOI growth is a result of rental rate growth from the apartment, commercial and MHC business segments, an increase in occupancy, partially offset by higher heating fuel prices and utility costs.

**Q1 FFO<sup>(2)</sup> & AFFO<sup>(3)</sup> Per Unit**



FFO and AFFO growth due to strong same property performance and incremental contributions from recent acquisitions and completed developments.

(1) Same property NOI growth is a supplementary financial measure. For a full description of same property metrics, see slide 41.

(2) FFO per unit is a non-IFRS financial ratio. For a full description and reconciliation of non-IFRS measures, see slide 41 and page 23 of Killam's Management Discussion and Analysis for the three months ended March 31, 2022.

(3) AFFO per unit is a non-IFRS ratios. For a full description and reconciliation of non-IFRS measures, see slide 41 and page 24 of Killam's Management Discussion and Analysis for the three months ended March 31, 2022.

**3.3%**  
Apartment  
Rental Rate  
Growth

**220 bps**  
Apartment  
Occupancy  
Increase



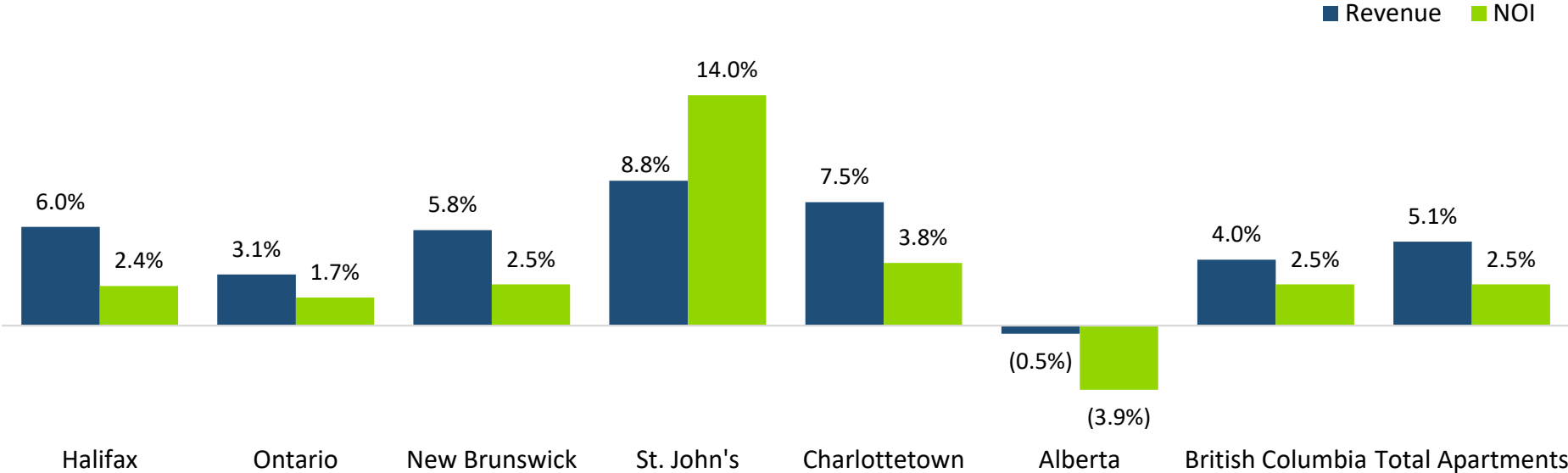


# CONSISTENT GROWTH FROM EXISTING PORTFOLIO

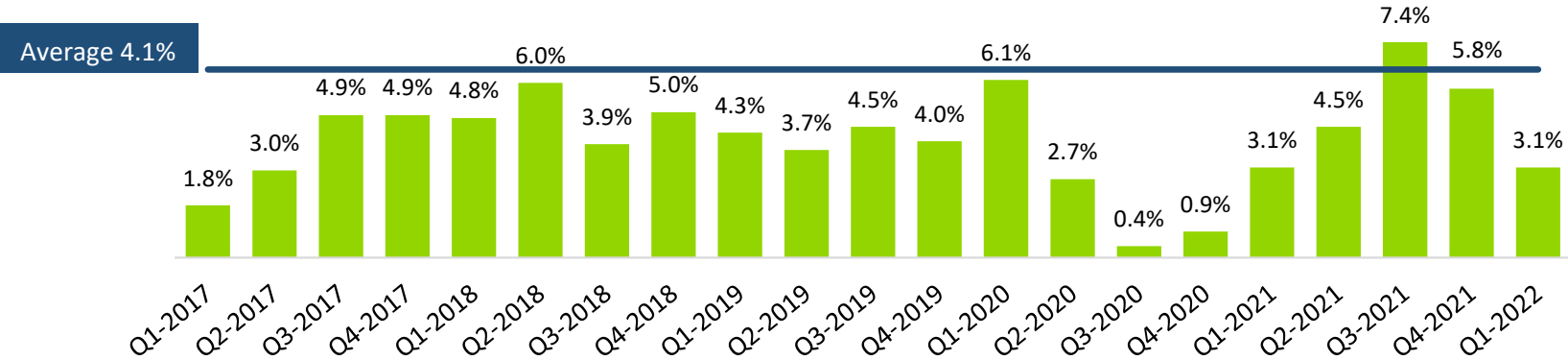


Strength in the Atlantic provinces and Ontario drove strong revenue and net operating income in Q1-2022.

Q1-2022 Same Property Apartment Revenue and NOI Growth by Market

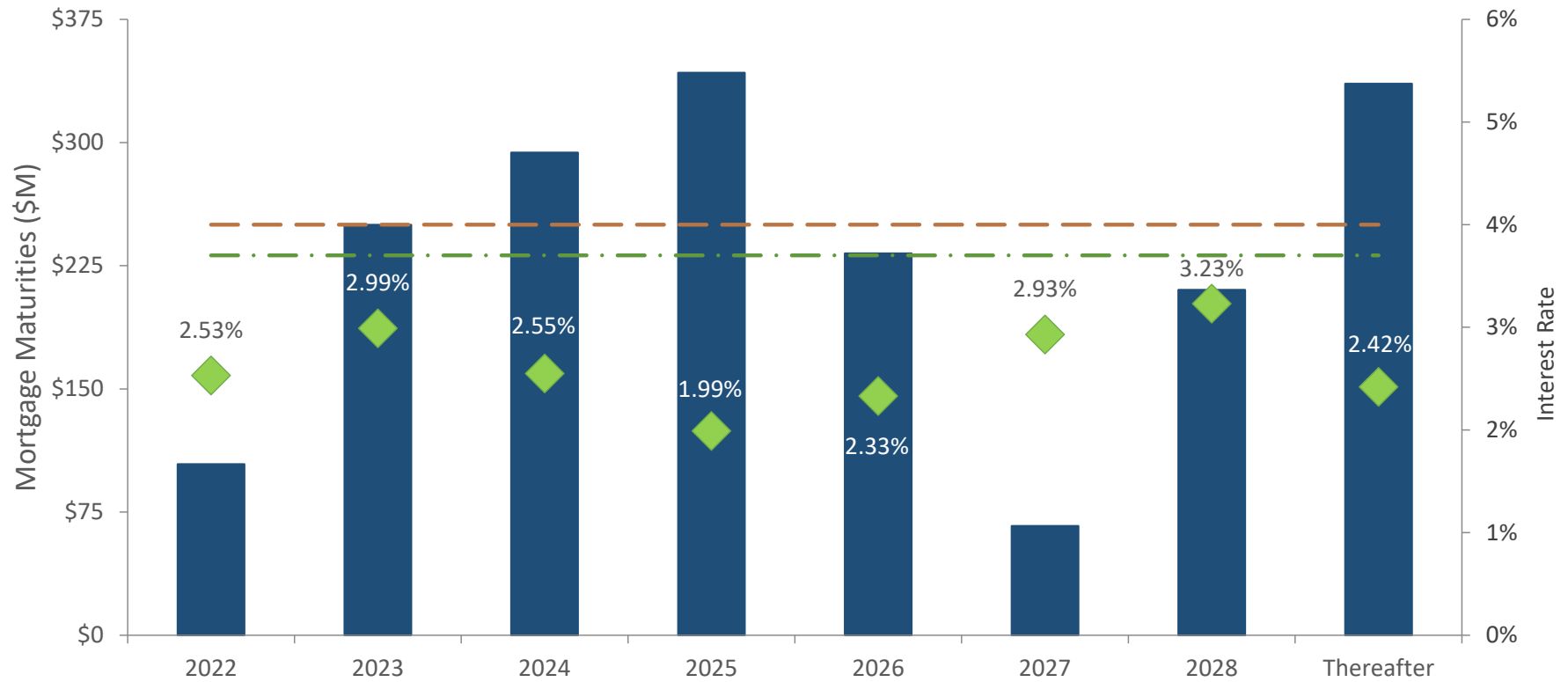


Same Property NOI Growth by Quarter



**Apartment Mortgage Maturities by Year**  
As at March 31, 2022

- Mortgage Maturities
- ◆ Weighted Average Interest Rate (Apartments)
- · - 5 year estimated CMHC insured interest rate 3.7%
- - - 10 year estimated CMHC insured interest rate 4.0%



Current Weighted  
Average Interest Rate  
**2.58%**

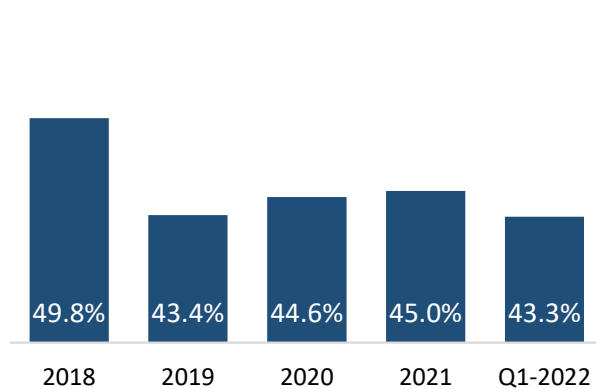
Weighted Average  
Term to Maturity  
**4.0 years**

Apartment Mortgages  
CMHC Insured  
**76%**

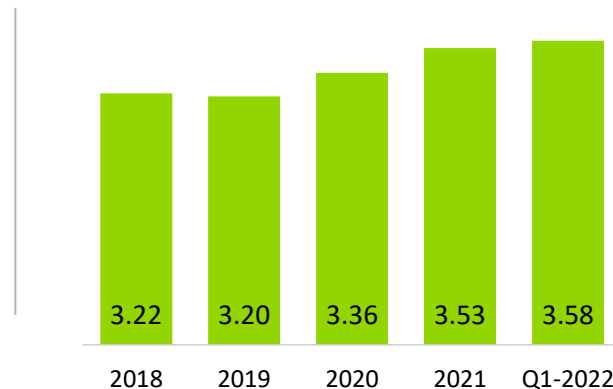


Increasing value of investment properties with conservative debt metrics.

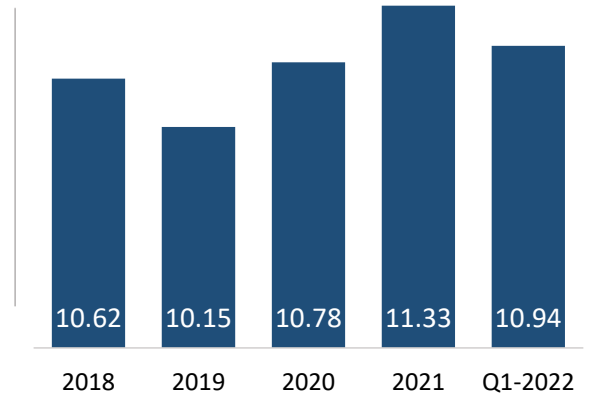
**Total Debt as a % of Assets<sup>(1)</sup>**



**Interest Coverage Ratio<sup>(2)</sup>**



**Debt to Normalized EBITDA<sup>(3)</sup>**



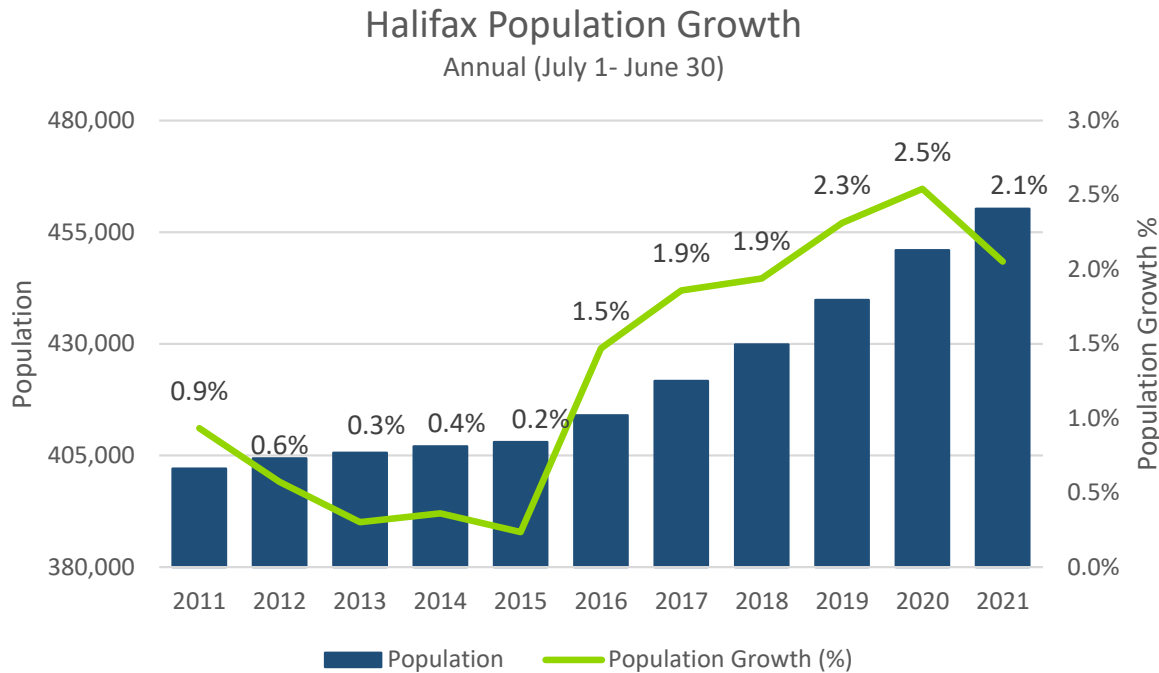
## Sources of Liquidity

- ❖ \$45 million in estimated upfinancing on 2022 mortgage renewals
- ❖ \$200 million of additional capital through its credit facilities
- ❖ \$50 million of unencumbered assets

- (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 41.
- (2) Interest coverage ratio is a non-IFRS ratio. For a full description and calculation of the non-IFRS measures, see slide 41 and page 23 of Killam's Management Discussion and Analysis for the three months ended March 31, 2022.
- (3) Debt to normalized EBITDA is a non-IFRS ratio. For a full description and calculation of the non-IFRS measures, see slide 41 and page 24 of Killam's Management Discussion and Analysis for the three months ended March 31, 2022.

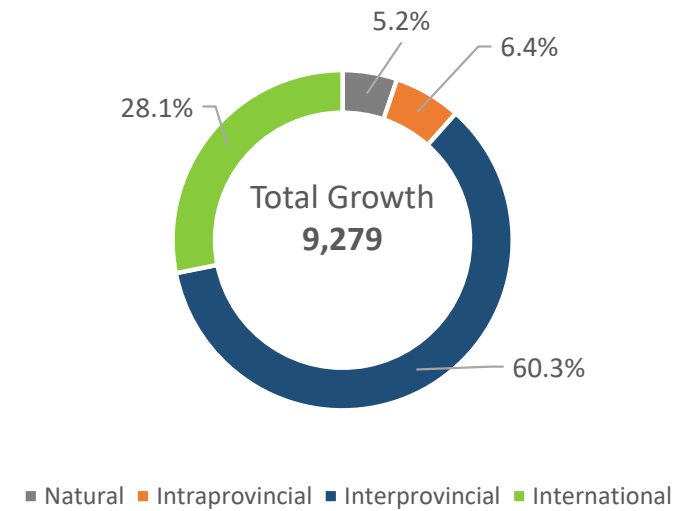
# HALIFAX POPULATION GROWTH

- Vacancy at historic lows in Halifax as demand for housing outpaces new rental supply.
- Halifax’s accelerated growth has been driven by immigration and urbanization with strong economic growth, with 3.5% GDP growth in 2021 and estimating 2.0% GDP growth for 2022<sup>(1)</sup>.



Source: Statistic Canada

### 2020-21 Halifax Population Growth by Source

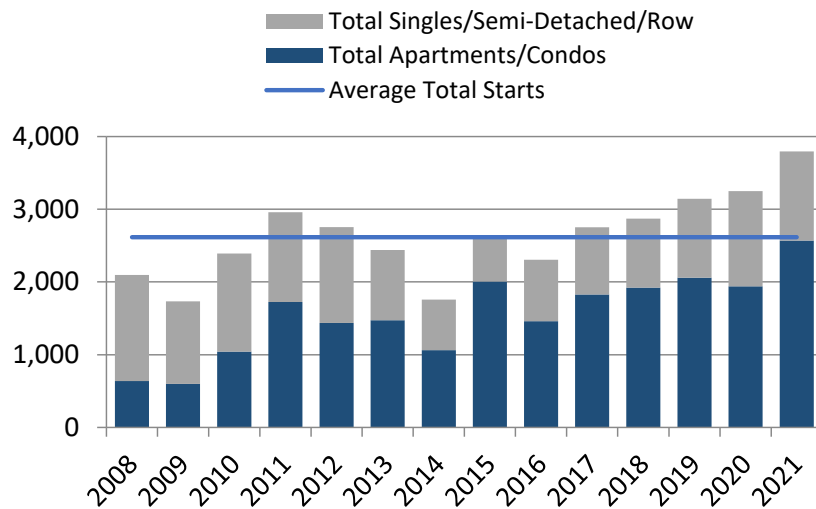


Source: Statistic Canada

(1) TD Economics Report, March 18, 2022.

New supply has been absorbed by population growth from immigration, migration, and shift in apartment rental demand.

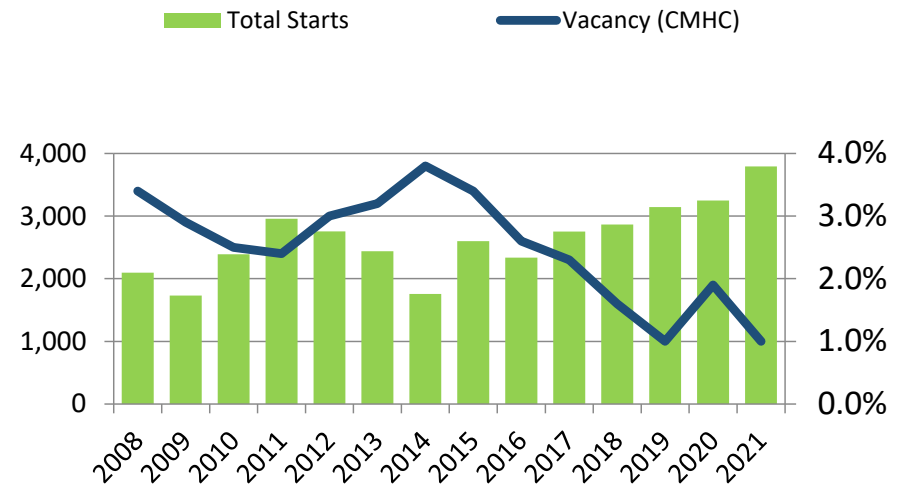
Halifax  
Housing Starts - Apt & Single



Source: CMHC

Total housing starts have averaged 2,600 dwellings over the past decade, however the portion of multi-family units has increased from 1/3 to 2/3 of starts.

Halifax  
Housing Starts & Vacancy Trend



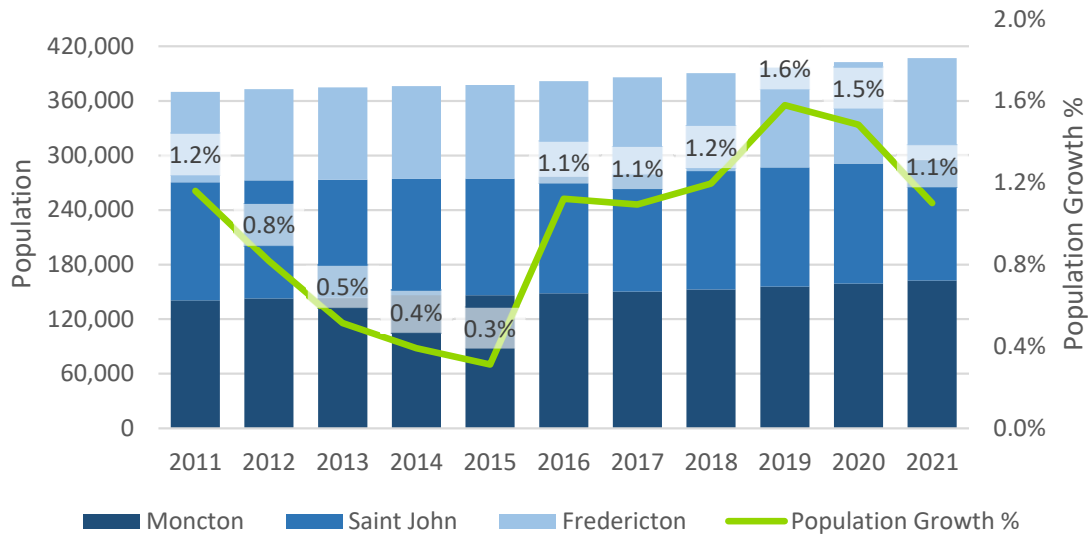
Source: CMHC

Vacancy at historic lows in Halifax as demand for housing outpaces new rental supply.

# NEW BRUNSWICK POPULATION GROWTH

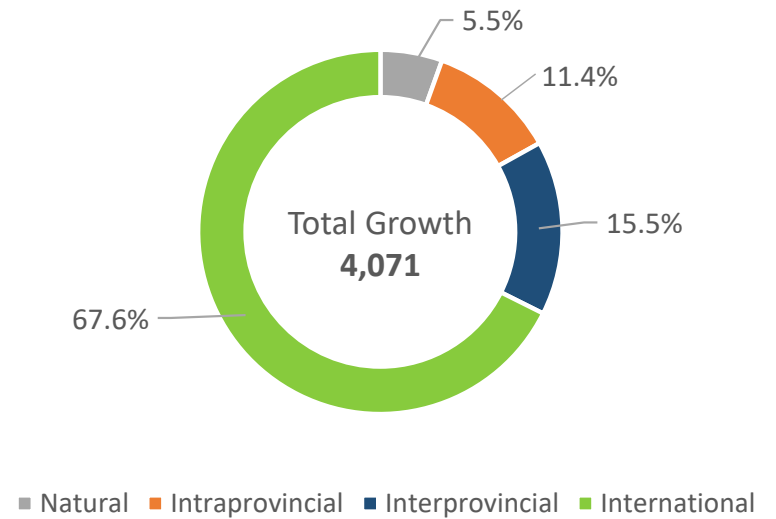
- New Brunswick's outlook is positive, with GDP growth of 3.4% in 2021 and estimating 2.1% in 2022<sup>(1)</sup>. This growth is expected to remain strong given demand for lumber and energy exports, housing, and tourism services.

Moncton, Saint John & Fredericton Population Growth  
Annual (July 1- June 30)



Source: Statistic Canada

2020-21 Saint John & Moncton Population Growth by Source



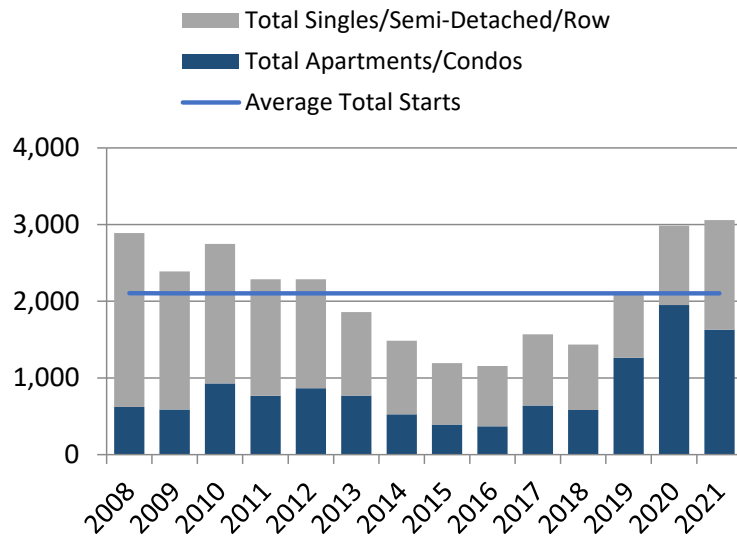
Source: Statistic Canada

(1) TD Economics Report, March 18, 2022.



New supply has been absorbed by population growth from immigration, migration, and shift in apartment rental demand.

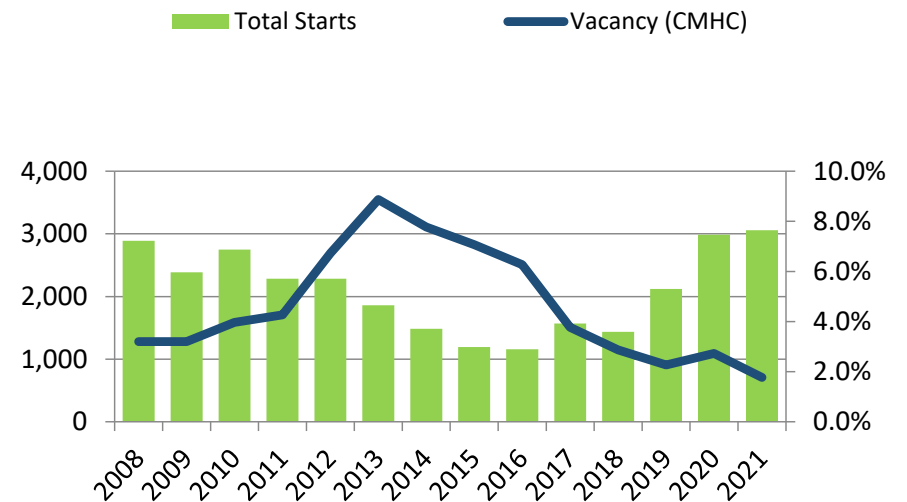
**Saint John, Moncton, Fredericton  
Housing Starts - Apt & Single**



Source: CMHC

Total housing starts have averaged 2,100 dwellings over the past decade, however the portion of multi-family units has increased from 1/4 to 1/2 of starts.

**Saint John, Moncton, Fredericton  
Housing Starts & Vacancy Trend**



Source: CMHC

Vacancy at historic lows in New Brunswick region as demand for housing outpaces new rental supply.

# LONG-TERM GROWTH STRATEGY

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**

## REVENUE OPTIMIZATION

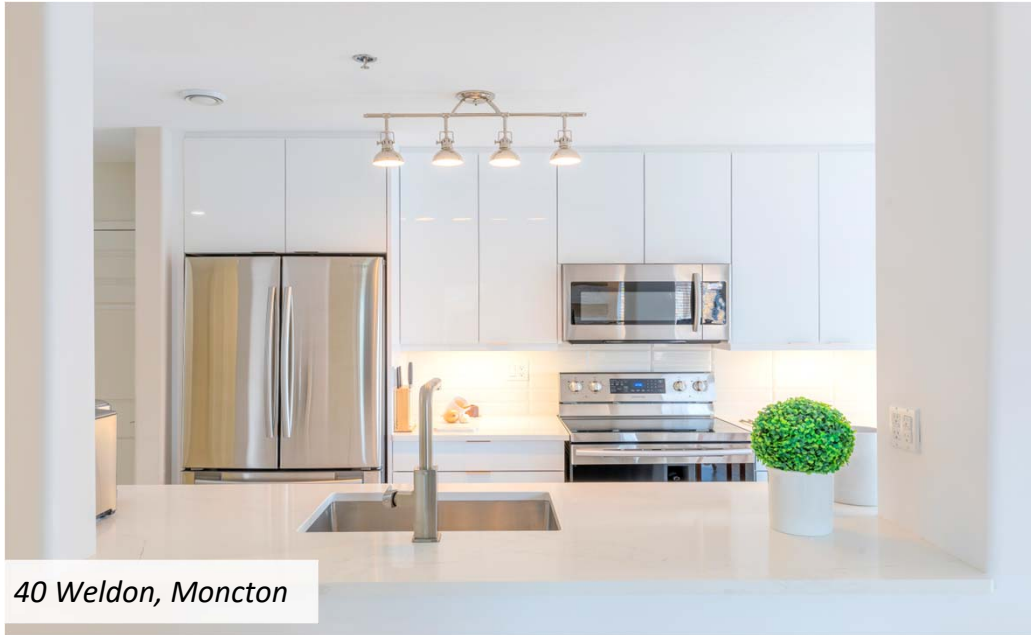
- Data driven decisions on leasing, unit renewals and turns to optimize mark-to-market opportunities
- Repositioning properties and suites to meet market demand
- Building communities

## EXPENSE MANAGEMENT

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







YTD 2022 Actuals

- 150 suite repositions
- 13% ROI
- \$29k avg investment

2022 Program

- 600 suite repositions
- ~\$15-18M investment
- ~\$2.0-2.3M annualized revenue growth

Total Opportunity

- 5,500 suite repositions
- ~\$138-165M investment
- ~\$18-21M annualized revenue



Based on a 4.41% cap rate this investment would increase Killam's NAV by ~\$325M.



# AFFORDABILITY AND VALUE DELIVERY

## Killam delivers affordable, safe, clean and high-quality housing to our residents across Canada:

- ❖ 42% of Killam’s portfolio rents for less than \$1,100 per month.
- ❖ Average rent is \$1.44 per SF across the portfolio.
- ❖ Killam supports affordable housing with more than 850 subsidized suites through community & government partnerships.
- ❖ Killam’s average rent in each market is well below the 30% threshold of median household income for that specific market (the affordability threshold per CMHC).
- ❖ Ensure we provide our residents with exceptional service, and they are happy with their Killam home.

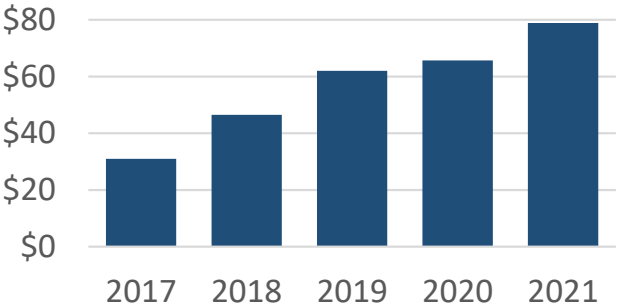


(1) Performed by Narrative Research, a third-party provider, with ~4,000 participants.

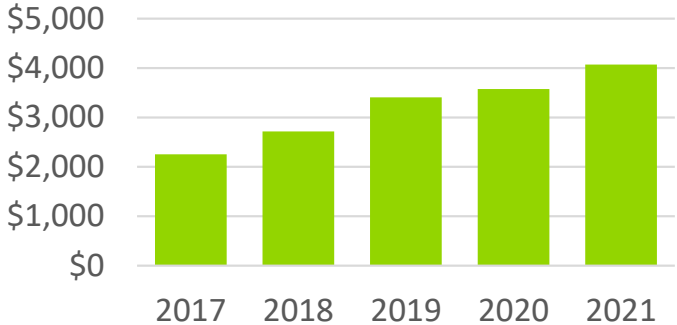
Region	Killam’s Avg Rent as a % of Median Household Income
Halifax	20.1%
Ottawa	23.7%
London	23.5%
Kitchener	20.4%
New Brunswick	18.5%
Prince Edward Island	18.1%
St. John’s	14.7%
Calgary	15.4%
Edmonton	18.0%
Victoria	26.0%

# CAPITAL INVESTMENT

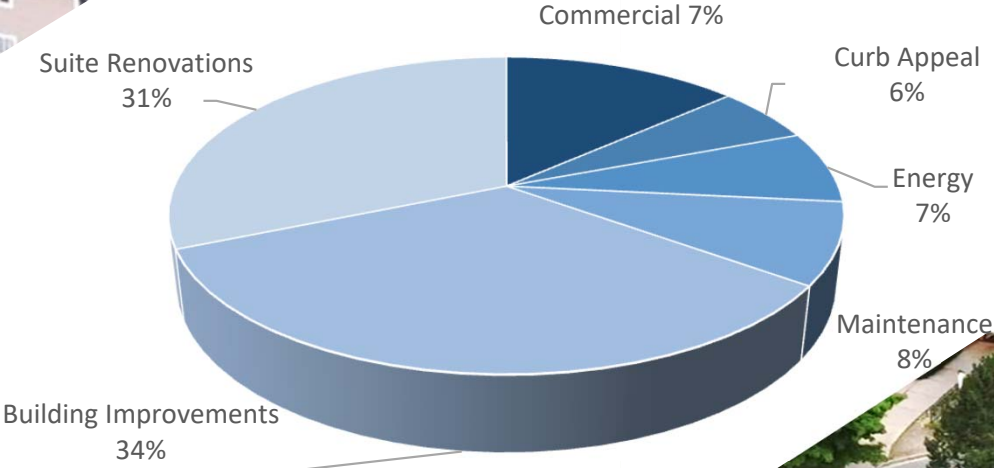
Total Capital Investment (\$M/yr)



Capital Investment per Apt Unit (\$)



2022 Capital Plan

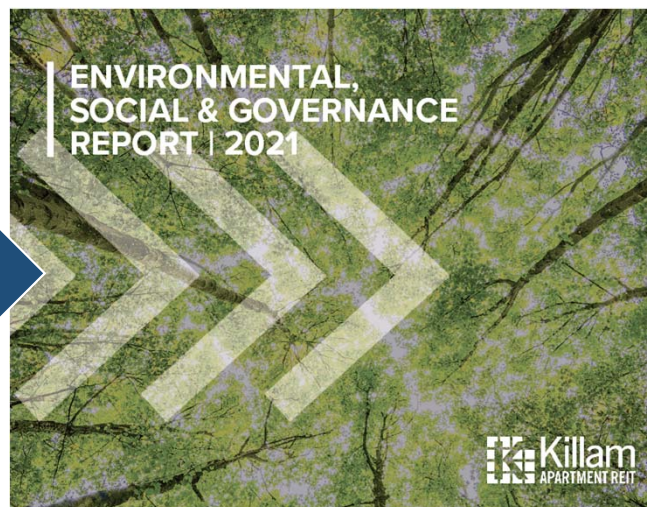




## Increasing earnings from operations through energy efficiency.

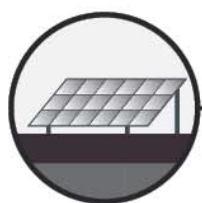
Includes increasing the installations of photovoltaic solar panels, smart metering, decreasing peak electric demand, water conservation projects and heating efficiencies at Killam's existing properties.

Visit Killam's 2021 ESG report  
[killamreit.com/esg](https://killamreit.com/esg)





Killam works towards minimizing its impact on the environment by investing in sustainable solutions, renovations, and technologies.

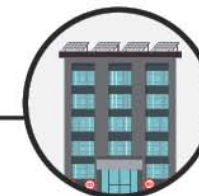
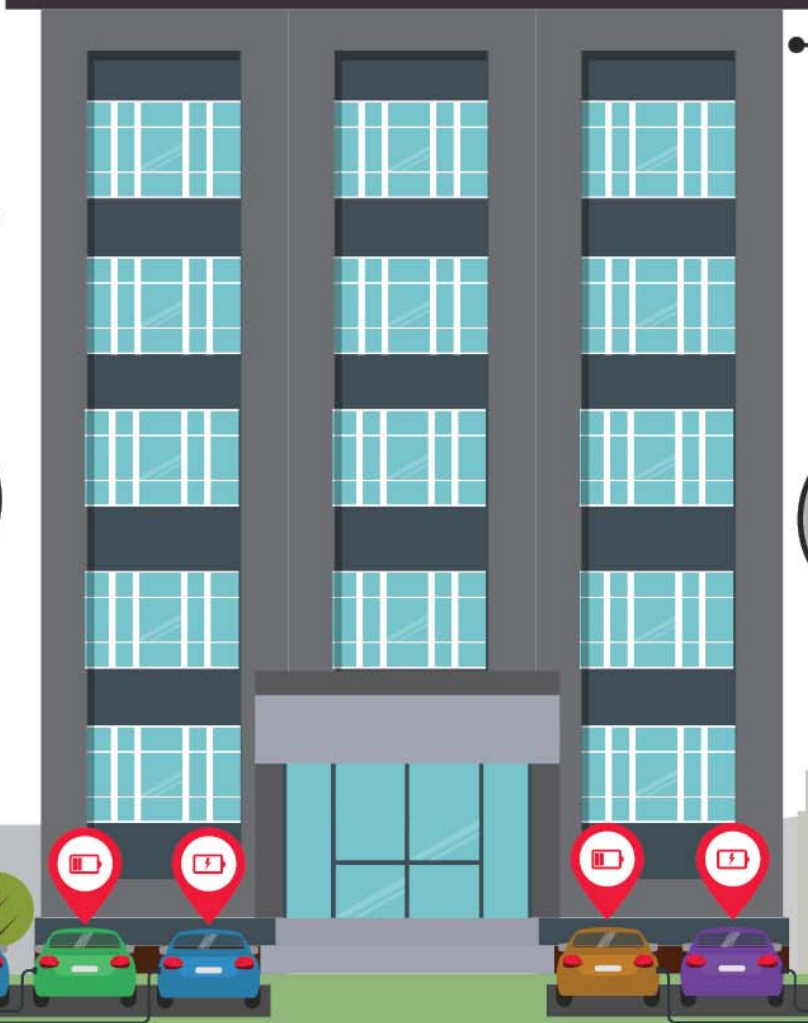


## Renewable Energy

- » Six properties with geothermal heating and cooling systems
- » 1.1MW of installed solar photovoltaic systems across 12 properties
- » ~\$33 million invested in the past 6 years in energy efficiency projects

## Natural Resources

- » 70% of properties have low-flow water fixtures
- » 70% of properties have waste reduction programs
- » 51% of properties have a composting program
- » 13,000 low-flow toilets saving 1.0 billion litres of water to-date



## Building Certifications

- » Three healthy-living and green building certifications successfully piloted in 2021: BOMA Best, Certified Rental Building Program and FitWel certifications.



## Sustainable Transport

- » 40 properties have a walk score over 70 (very walkable)
- » 55 average bike score
- » 48 average transit score
- » 11 properties with EV Charging Stations (with 50 additional properties in 2022).





## ESG

### Environmental



#### LONG-TERM TARGETS

- Reduce GHG emissions by 15%<sup>(1)</sup> by 2030.
- Produce a minimum of 10% of electricity<sup>(2)</sup> consumed by portfolio through renewable energy sources by 2025.
- Pursue building certifications across a minimum of 20% of Killam's portfolio by 2025.

### Social



#### LONG-TERM TARGETS

- Increase employee volunteer hours by 25% by 2025.
- Increase number of affordable housing suites by 20% by 2025.
- Maintain resident satisfaction score above 85%, annually.

### Governance



#### LONG-TERM TARGETS

- Continue to participate in GRESB<sup>(3)</sup> survey annually, targeting a minimum increase of 5% each year to reach GRESB 4 Star ranking by 2025, and continue to expand ESG disclosure.
- Increase the diversity of employees, including a 25% increased representation of employees who identify as racialized, as persons with a disability, and as LGBTQ+ by 2025.

(1) Scope 1 and 2 emissions from 2020 levels.

(2) Operational controlled electricity.

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

## ESG

### Environmental



#### 2021 PERFORMANCE

- Invested \$8.2M in energy efficiency projects.
- Achieved 5.6% reduction in like-for-like energy consumption.
- Reduced greenhouse gas intensity (tCO2e per SF) by 8.6%.
- Completed nine solar photovoltaic installs, which will produce ~1,000 MWh of annual renewable energy.
- Achieved building certifications on eight properties (927 units).
- Recognized as one of Canada’s Greenest Employers.
- Completed an independent review of its 2021 energy consumption and greenhouse gas inventory.

### Social



#### 2021 PERFORMANCE

- Supported affordable housing with more than 850 subsidized units through community partnerships.
- Achieved an 84% employee satisfaction score.
- Partnered with the Canadian Centre for Diversity and Inclusion to complete its bi-annual diversity survey.
- Increased employee volunteer time by 20% from 2019.
- Added 108 units to its supported affordable housing portfolio.
- Achieved an 86% resident satisfaction score.

### Governance

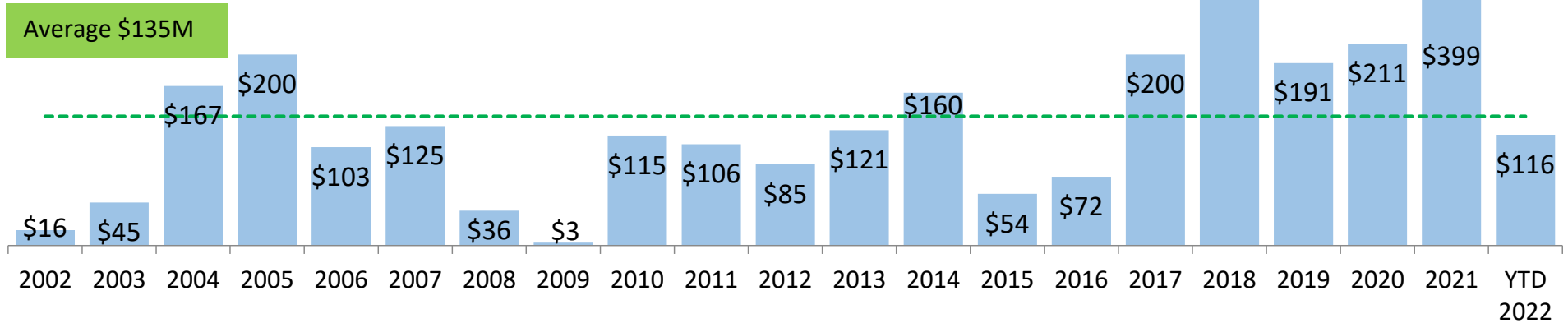


#### 2021 PERFORMANCE

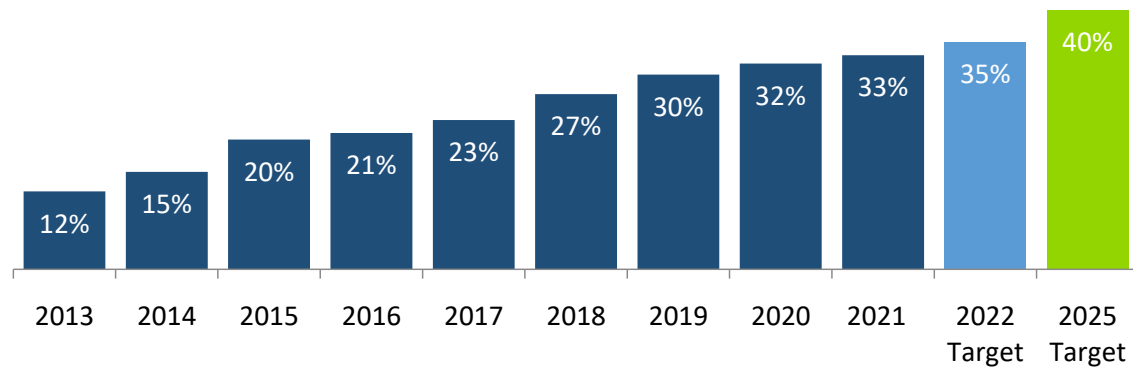
- Improved GRESG score by 6% in 2021, in addition to 40% since initial participation.
- Reported under TCFD framework and aligned with SASB and GRI standards.
- Conducted an extensive stakeholder engagement process to review its ESG materiality.
- Aligned Killam’s strategy and targets with two additional UN Sustainable Development goals: Gender Equality and Climate Action.
- Earned a GRESB Public Disclosure survey rating of “A”.

# ACCRETIVE ACQUISITIONS

### Annual Acquisitions (\$ millions)



### NOI Generated Outside Atlantic Canada





## Craigflower House | Victoria

49 units | 100% occupied  
Avg Monthly Rent \$1,123 per unit



### Acquisition Details:

\$14 million (\$286,000/unit)

3.0% capitalization rate

Acquisition date: March 31, 2022



## 671 & 665 Woolwich | Guelph

84 units | 98% leased  
Avg Monthly Rent \$1,218 per unit

### Acquisition Details:

\$25.0 million

- \$21.0 million (\$250,000/unit)
- \$4.0 million – development land

3.2% capitalization rate

Acquisition date: April 29, 2022





## The Shores | Courtenay

94 units | 100% leased  
Avg Monthly Rent \$1,641 per unit

### Acquisition Details:

\$33.7 million (\$359,000/unit)

3.94% capitalization rate

Acquisition date: May 18, 2022

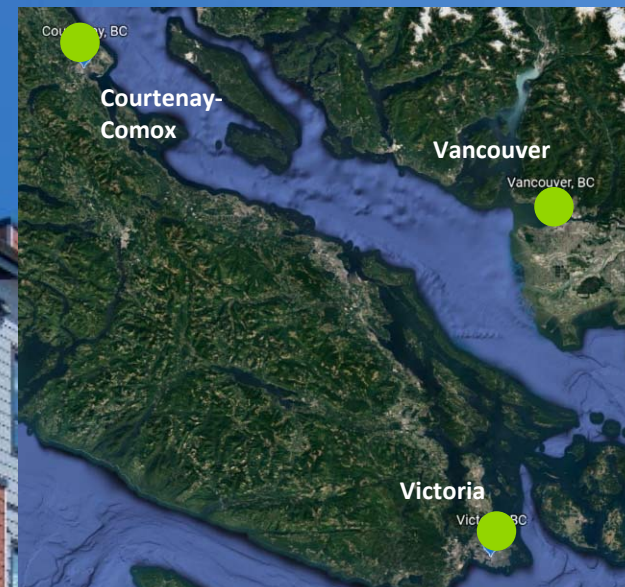
1849 & 1876 Riverside Lane, Courtenay





## The Residences | Courtenay

56 units | 100% leased  
Avg Monthly Rent \$1,608 per unit



### Acquisition Details:

\$21.9 million (\$391,000/unit)

3.75% capitalization rate

Acquisition date: May 18, 2022

621 Crown Island Blvd, Courtenay

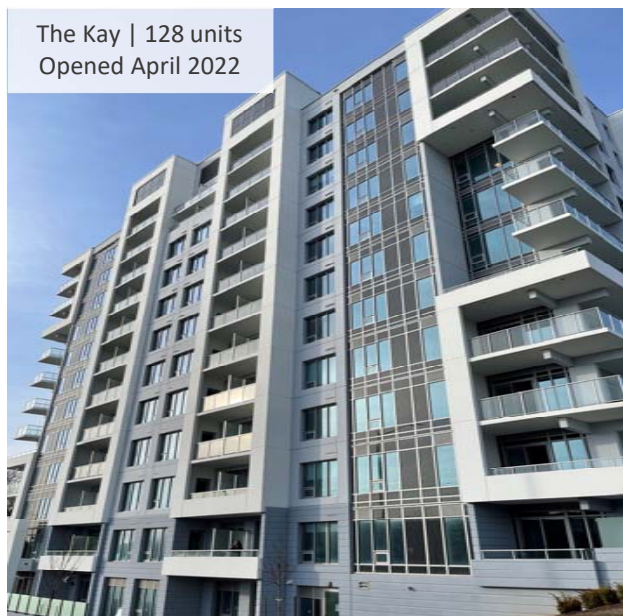


# 2022 | STRONG DEVELOPMENT LEASING

Latitude | 209 units  
Opened Jan 2022



The Kay | 128 units  
Opened April 2022

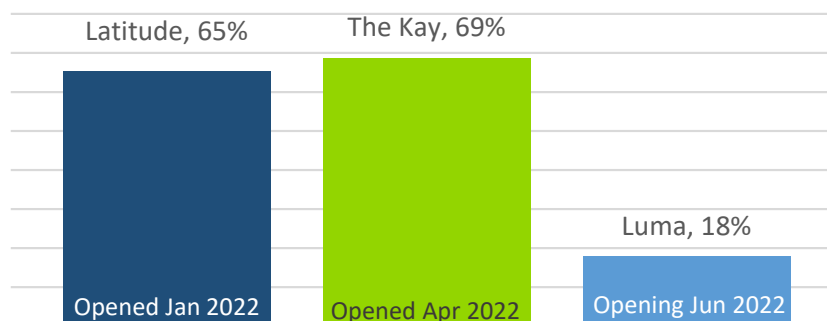


Luma | 168 units  
Opening June 2022



The above three developments are leasing ahead of expectations. They are forecasted to contribute \$2.2 million to NOI in 2022 and over \$5.5 million of NOI on an annualized basis.

## (Pre) Leasing Activity



As of May 17, 2022



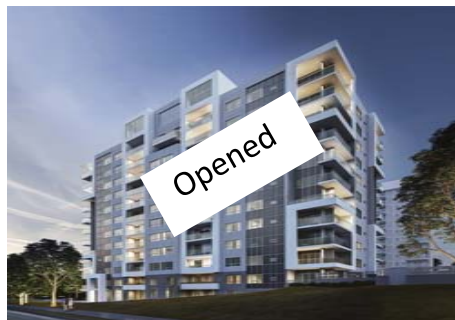
# 2022 | DEVELOPMENT PROGRESS

With Latitude and The Kay now open, Killam had three developments underway, which will add an additional 265 new high-quality suites to Killam’s portfolio in the next nine months.<sup>(1)</sup>



Opened

Latitude | 104 units <sup>(2)</sup>  
Ottawa



Opened

The Kay | 128 units  
Mississauga



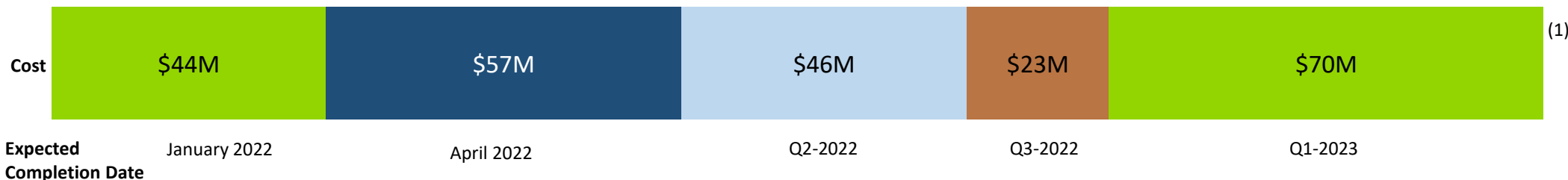
Luma | 84 units<sup>(2)</sup>  
Ottawa



Governor | 12 units  
Halifax



Civic 66 | 169 units  
Kitchener



(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 remaining 90% interest of the second phase, following completion of construction and the achievement of certain conditions.

(2) Represents Killam’s 50% ownership.

## LUMA

168-unit development in Ottawa that is expected to be completed in mid-2022.



### Key Statistics

Number of units	168
Estimated completion date	Q2-2022
Project budget (\$M) <sup>(1)</sup>	\$45.8
Cost per unit	\$545,000
Expected yield	4.0%-4.25%
Expected value cap-rate	3.5%
Avg rent	\$2.90 per SF
Avg unit size	748 SF

(1) Killam's 50% interest.



Progress shot as of May 2022



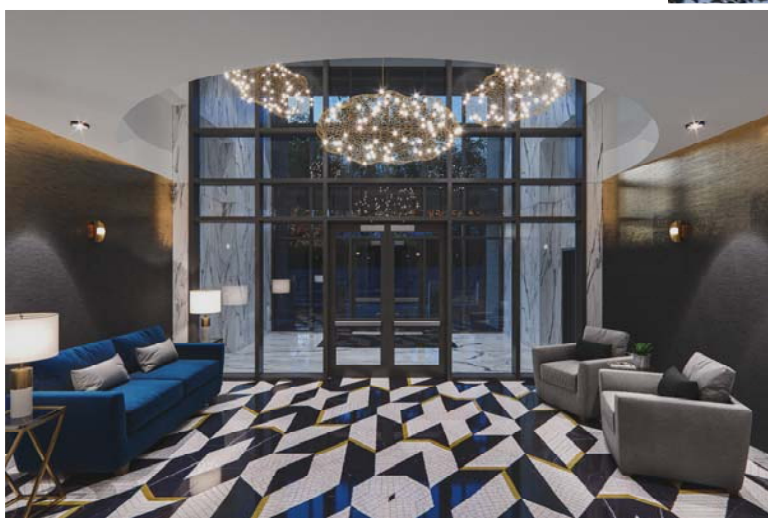
## THE GOVERNOR

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

### Key Statistics

Number of units	12
Start date	Q1-2021
Est. completion date	Q3-2022
Project budget (\$M)	\$22.8
Expected yield	4.25%-4.75%
Expected value cap-rate	3.5%
Avg unit size	2,350 SF +(330 SF terrace)
Avg rent	\$3.30 per SF

**GREEN FEATURES:** Sub-metered water, geothermal heating and cooling





## THE GOVERNOR

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



THE GOVERNOR

Progress shots as of May 2022



## CIVIC 66

169-unit development in Kitchener that broke ground in Q3-2020 and is expected to be completed by Q1-2023.



Key Statistics	
Number of units	169
Start date	Q3-2020
Est. completion date	Q1-2023
Project budget (\$M)	\$69.7
Cost per unit	\$412,000
Expected yield	4.75%-5.0%
Expected value cap-rate	3.5%
Avg unit size	780 SF
Avg rent	\$2.77 per SF

**GREEN FEATURES:** Sub-metered water, geothermal heating and cooling





# 2022 | DEVELOPMENT PROGRESS - KITCHENER

## CIVIC 66

*169 suites - progress photos as of April 2022*





## WESTMOUNT PHASE 1 (CARRICK)

Expect to break ground on the 139-unit development in Waterloo in Q2-2022.



Key Statistics	
Number of units	139
Est. start date	Q2-2022
Est. completion date	2024



## EVENTIDE & AURORA

Expect to break ground on the two building, 120-unit development in Halifax in mid-2022.

### Key Statistics

Number of units	120
Est. start date	2022
Est. completion date	2024

*Eventide & Aurora, exterior renderings*





# 2022 | ROBUST DEVELOPMENT PIPELINE \$1.7B

Future Development Opportunities					
Property	Location	Killam's Interest	Potential # of Units <sup>(1)</sup>	Status	Est Year of Completion
<u>Developments expected to start in 2022</u>					
Westmount Place Phase 1	Waterloo, ON	100%	139	As-of-right permit submission completed	2024
Eventide & Aurora	Halifax, NS	100%	120	Final planning approval pending	2024
<u>Developments expected to start in 2023-2027</u>					
Stratford Land	Charlottetown, PE	100%	100	In design	2025
Sherwood Crossing	Charlottetown, PE	100%	325	In design	2025
Medical Arts	Halifax, NS	100%	200	Concept design	2025
Westmount Place Phase 2	Waterloo, ON	100%	150	In design	2026
Hollis Street	Halifax, NS	100%	100	Concept design	2026
Northfield Gardens Expansion	Waterloo, ON	100%	150	Concept design	2026
Gloucester City Centre Phase 3	Ottawa, ON	50%	200	Concept design	2026
Nolan Hill Phase 3 <sup>(2)</sup>	Calgary, AB	10%	200	In design	2026
<u>Additional future development projects</u>					
Nolan Hill Phase 4 <sup>(2)</sup>	Calgary, AB	10%	200	Future development	TBD
Christie Point	Victoria, BC	100%	312	Development agreement in place	TBD
Quiet Place	Waterloo, ON	100%	312	Development agreement in place	TBD
Gloucester City Centre Phase 4-5	Ottawa, ON	50%	400	Future development	TBD
Westmount Place Phase 3-5	Waterloo, ON	100%	800	Future development	TBD
Kanata Lakes	Ottawa, ON	50%	80	Future development	TBD
St. George Street	Moncton, NB	100%	60	Future development	TBD
15 Haviland Street	Charlottetown, PE	100%	60-90	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
<b>Total Development Opportunities</b>			<b>4,216</b>		

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

(2) Killam has a 10% interest in the remaining two phases of Nolan Hill development in Calgary, AB, which Killam expects to purchase upon completion of each phase.

# HIGH QUALITY DEVELOPMENTS COMPLETED

More than \$400 million of developments completed.





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 2022 and 2021. Same property results represent 90.5% of the fair value of Killam's investment property portfolio as at March 31, 2022. Excluded from same property results in 2022 are acquisitions, dispositions and developments completed in 2021 and 2022, 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 2022 and 2021. 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 Q1-2022 Management's Discussion and Analysis for further details on these non-IFRS measures and, where applicable, reconciliations to the most directly comparable IFRS measure.

# INVESTOR PRESENTATION

May 2022

