

Q4-2023 Results Conference Call

February 15, 2024 | 9am EDT

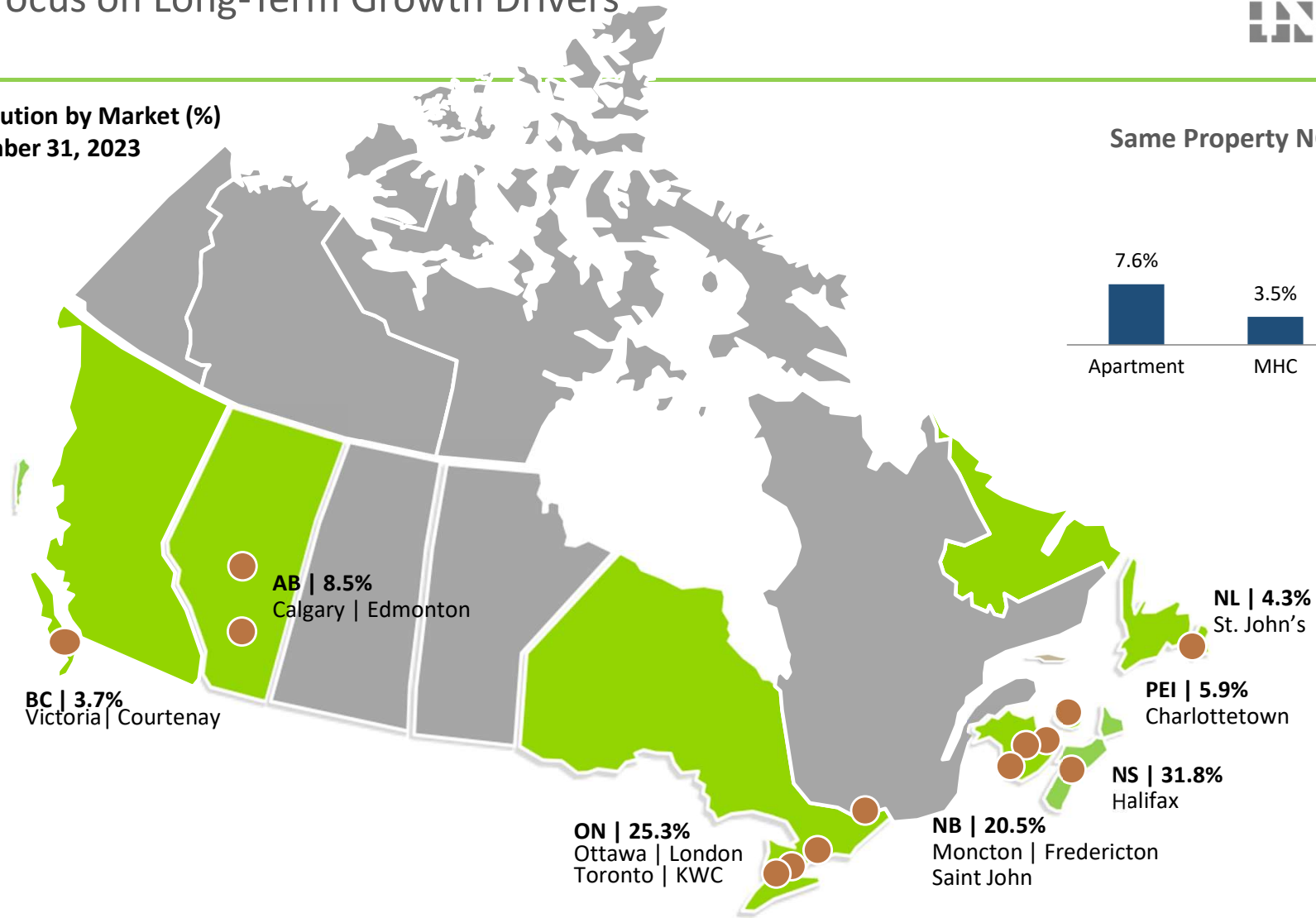




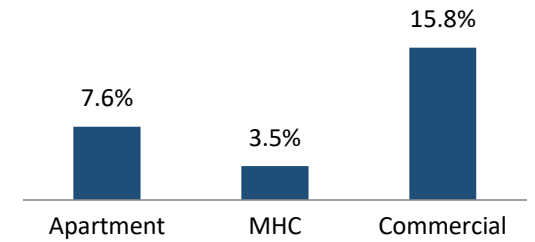
This presentation may contain forward-looking statements with respect to Killam Apartment REIT ("Killam") and its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate",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

2023 | Focus on Long-Term Growth Drivers

**NOI Contribution by Market (%)
as at December 31, 2023**



Same Property NOI Growth



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 and dispositions, targeting acquiring newer properties.

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

2023 | Successful Performance against Strategic Targets



Target: Achieve same property NOI growth averaging 3.0% to 5.0% (increased to over 7.0% in Q3-2023)

Performance: Killam achieved same property NOI growth of 7.8%.



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

Performance: Killam completed 14 dispositions totaling 1,122 units for a combined sale price of \$168.7 million.



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

Performance: 37.4% of NOI was generated outside Atlantic.



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

Performance: Completed The Governor (12 units) in Halifax, NS, and Civic 66 (169 units) in Kitchener, ON. Killam delayed commencing development on Eventide in Halifax, NS given high construction costs and rising interest rates during the year.



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

Performance: Decreased to 42.9% at December 31, 2023 (2022 – 45.3%).



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

Performance: Killam invested \$8.8 million in energy initiatives in 2023.

\$266.3M
Net Income

Includes \$224.0 million of net operating income, up 8.3% from 2022.

\$1.15
FFO per Unit⁽¹⁾

3.6% increase from \$1.11 per unit in 2022. AFFO per unit increased 4.3% to \$0.97, compared to \$0.93 in 2022.

7.8%
Same Property NOI Growth⁽²⁾

7.8% growth in 2023 includes a 5.5% increase in same property revenue.

72%
AFFO payout ratio⁽³⁾

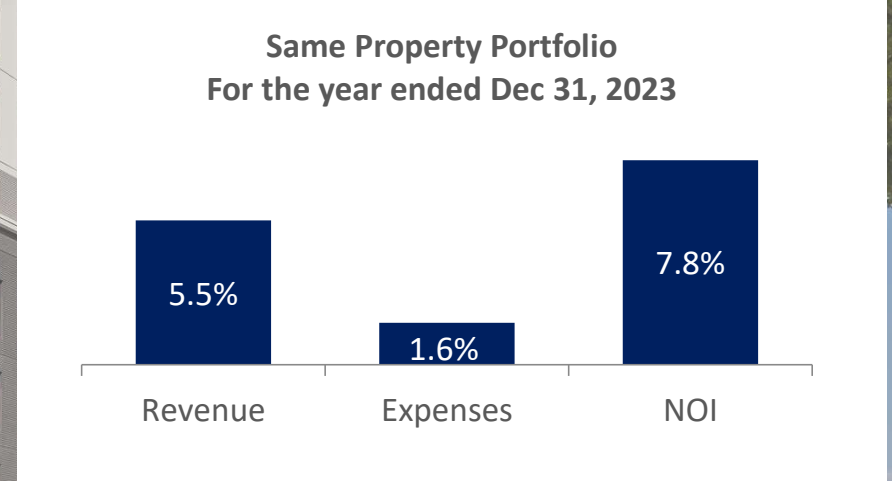
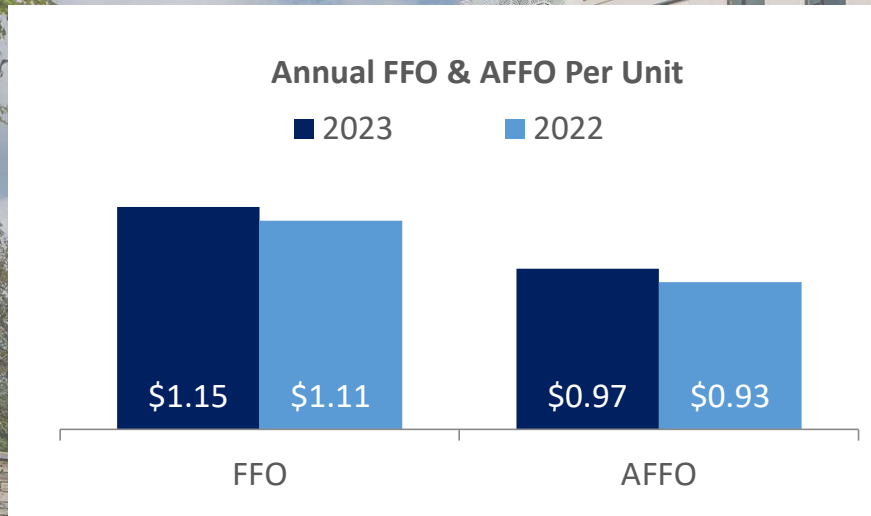
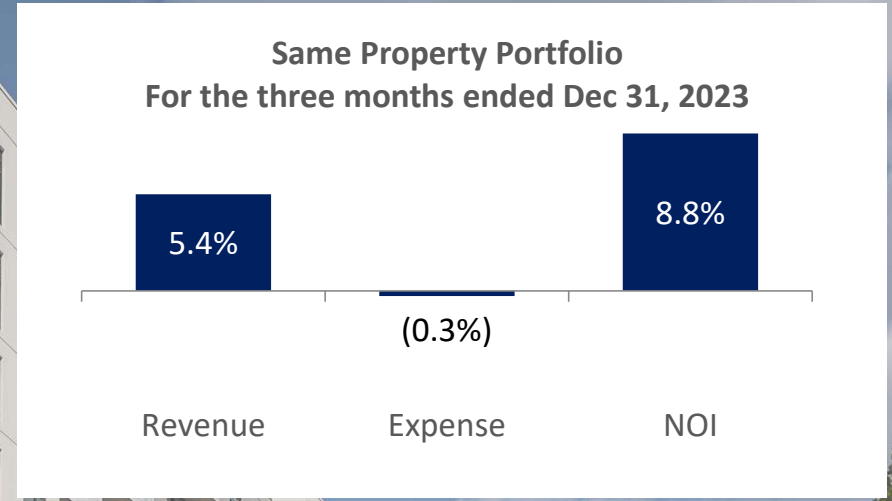
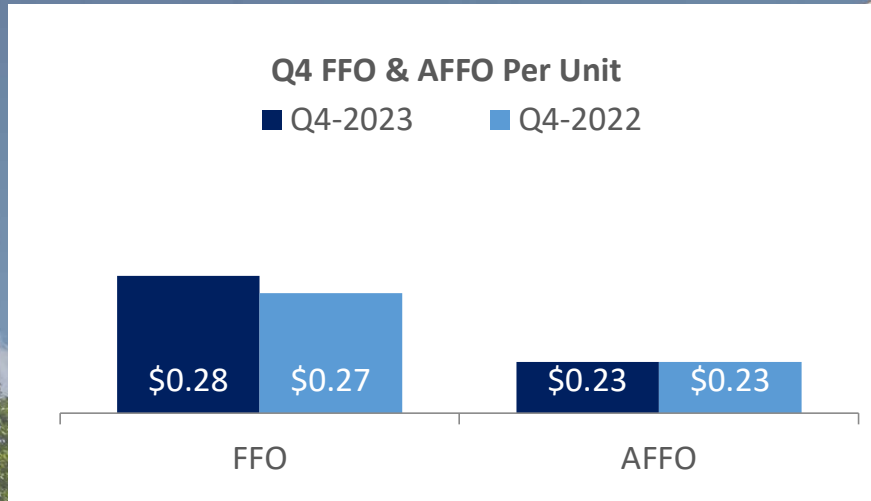
AFFO payout ratio was 72%, a 300-basis point improvement from 2022.

42.9%
Total Debt as a % of Total Assets⁽⁴⁾

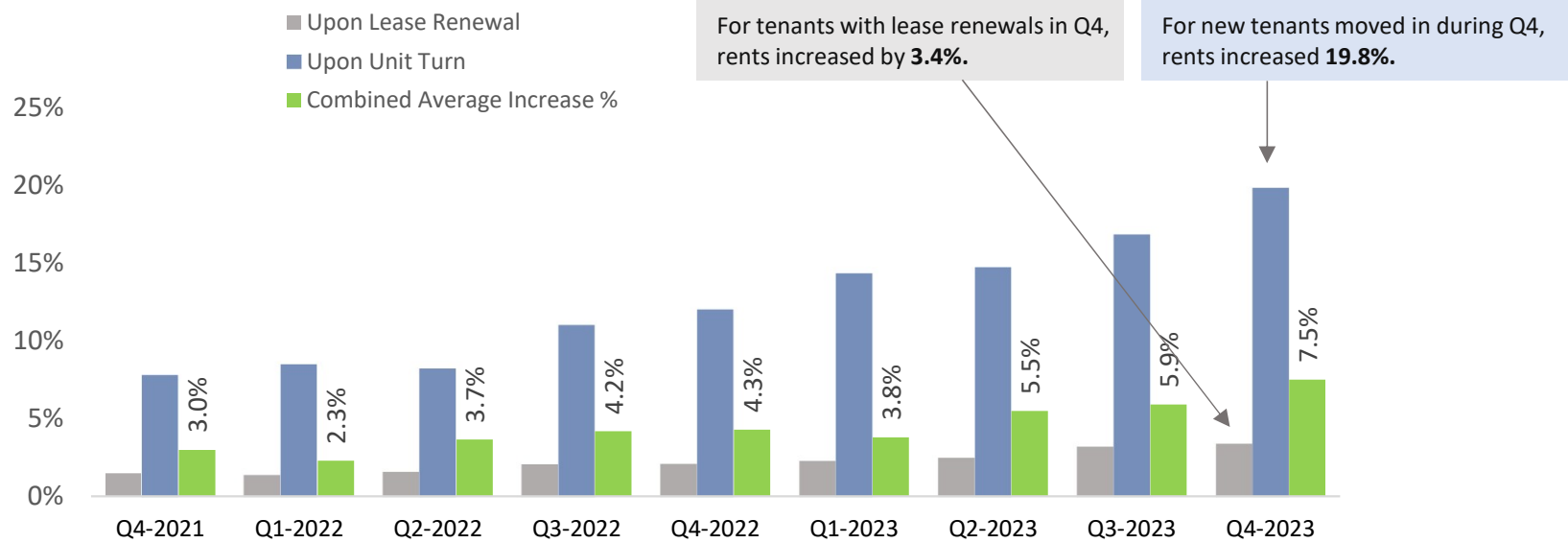
A 240-basis point decrease from 45.3% at December 31, 2022.

- 1) FFO per unit is a non-IFRS financial ratio. For a full description and reconciliation of non-IFRS measures, see slide 20 and page 30 of Killam's Management Discussion and Analysis for the year and quarter ended December 31, 2023.
- 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 year and quarter ended December 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 20.

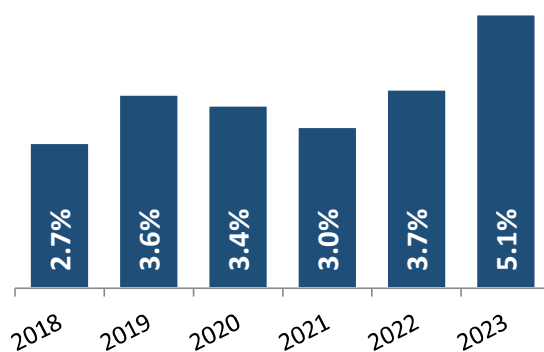




Apartments Same Property Rental Rate Growth by Quarter

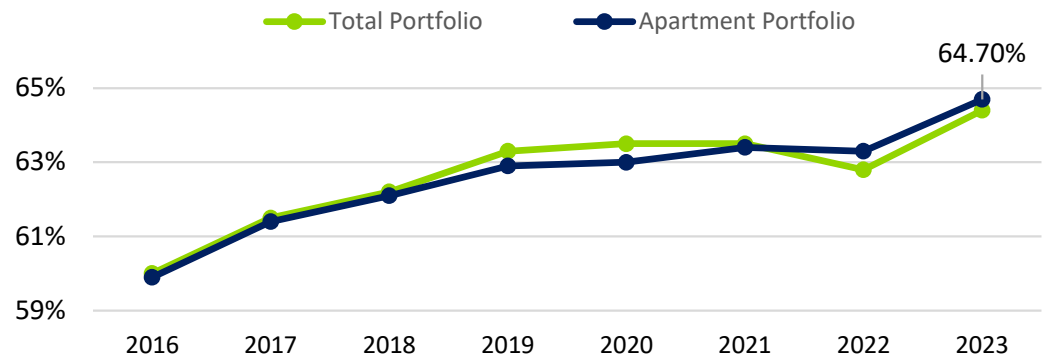


Apartment Same Property Average Rental Rate Increase

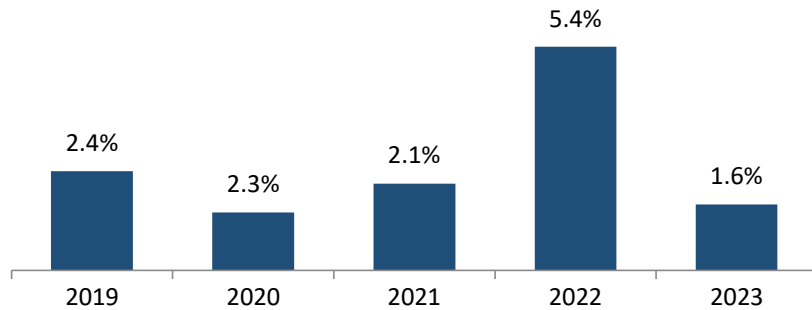


*Year-over-year change in average rent.

Same Property Operating Margin Expansion



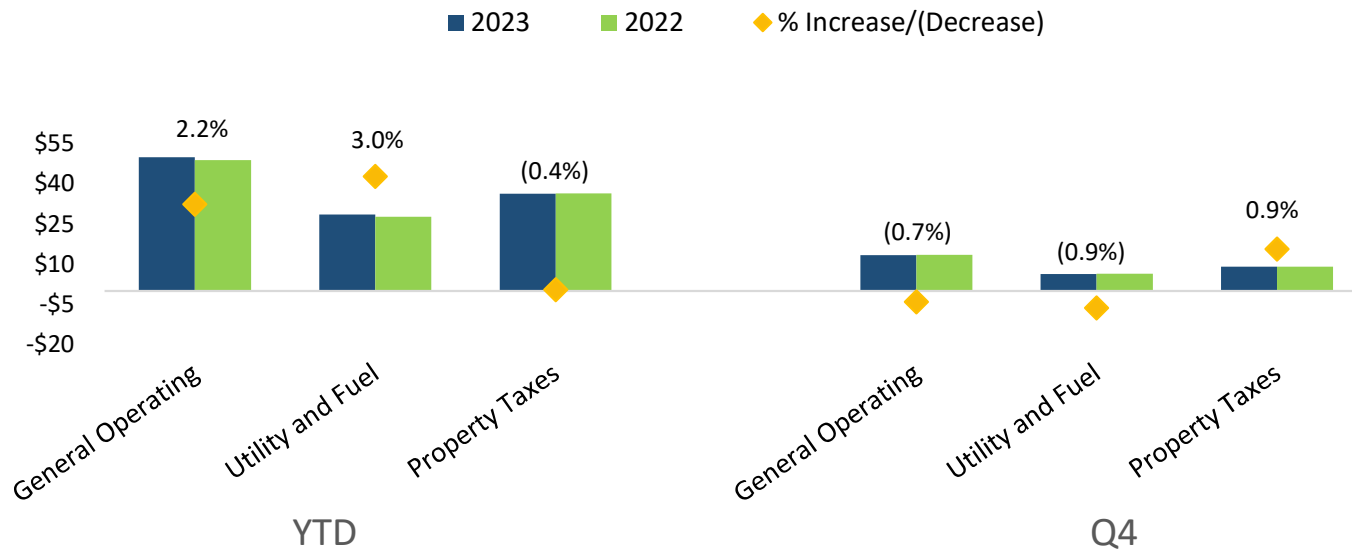
Same Property Expense Growth



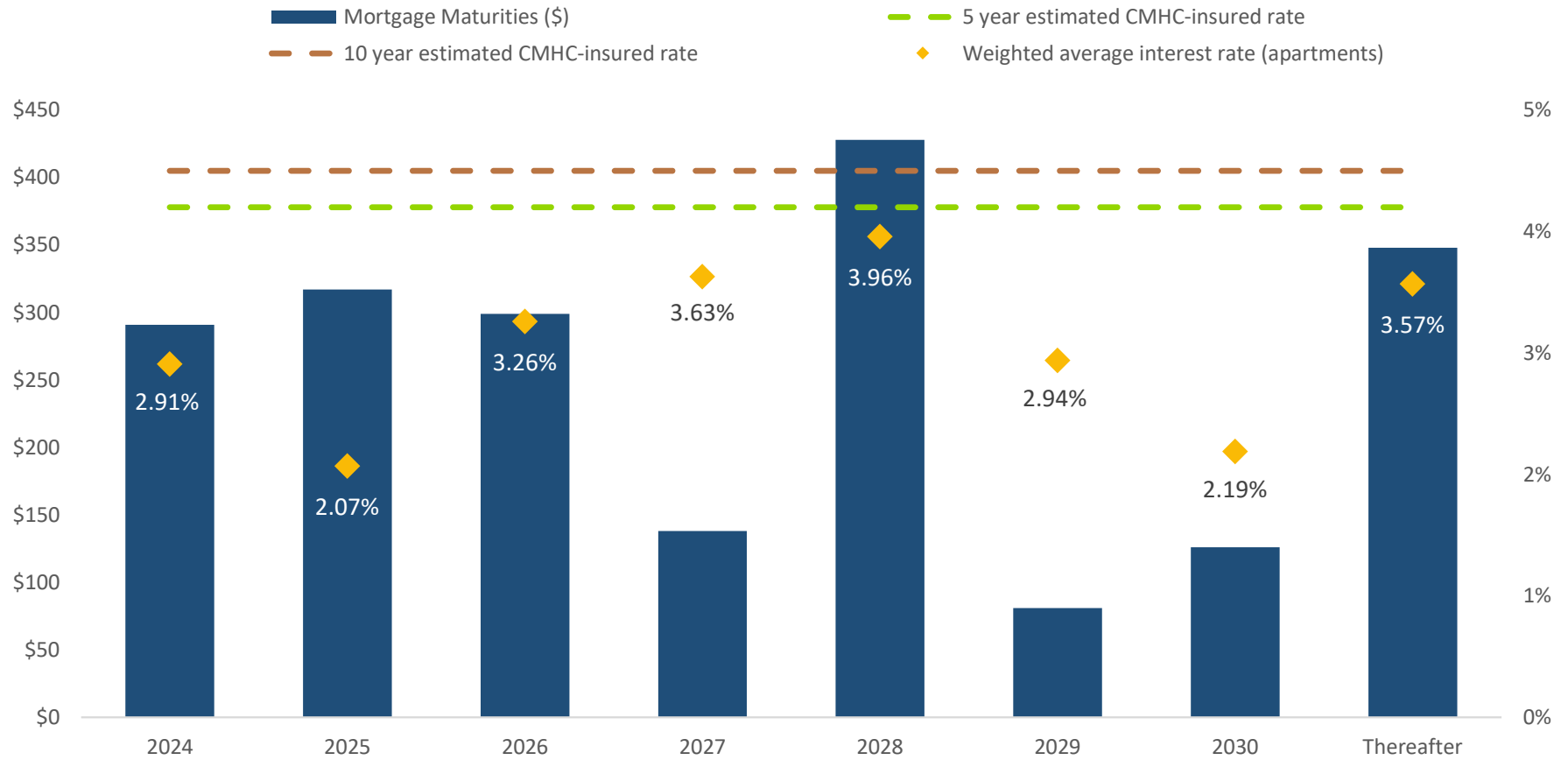
Effective cost containment resulted in modest same property expense growth of 1.6% in 2023:

- ❖ Reduced insurance premiums in recognition of our enhanced internal risk management practices.
- ❖ Savings in natural gas costs in second half of 2023.
- ❖ Higher property tax assessments partially offset by a reduction in regional mill rates in NB and one-time property tax subsidies in PEI.

Same Property Expense by Category (\$M)



Apartment Mortgage Maturities by Year
As at December 31, 2023

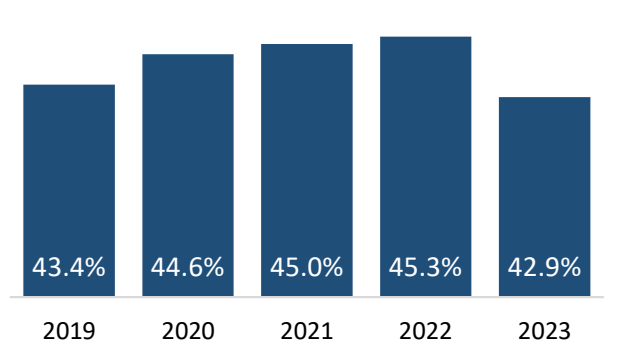


APT Weighted Average Mortgage Interest Rate
3.17%

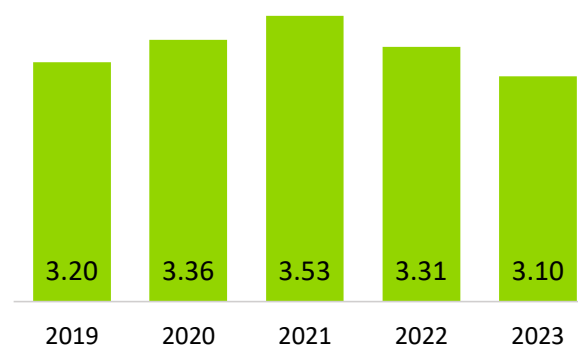
Weighted Average Term to Maturity
3.9 years

CMHC Insured Apartment Mortgages
78.7%

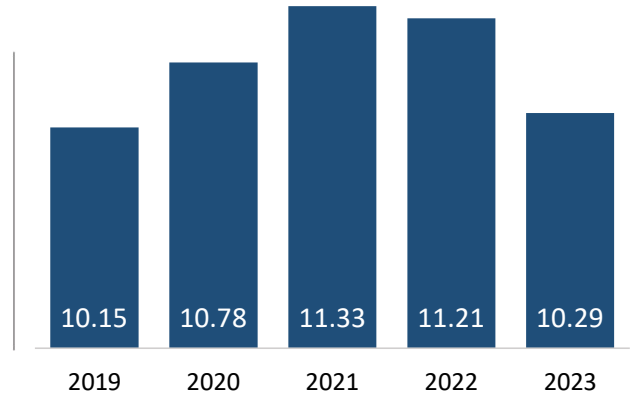
Total Debt as a % of Assets⁽¹⁾



Interest Coverage Ratio⁽²⁾

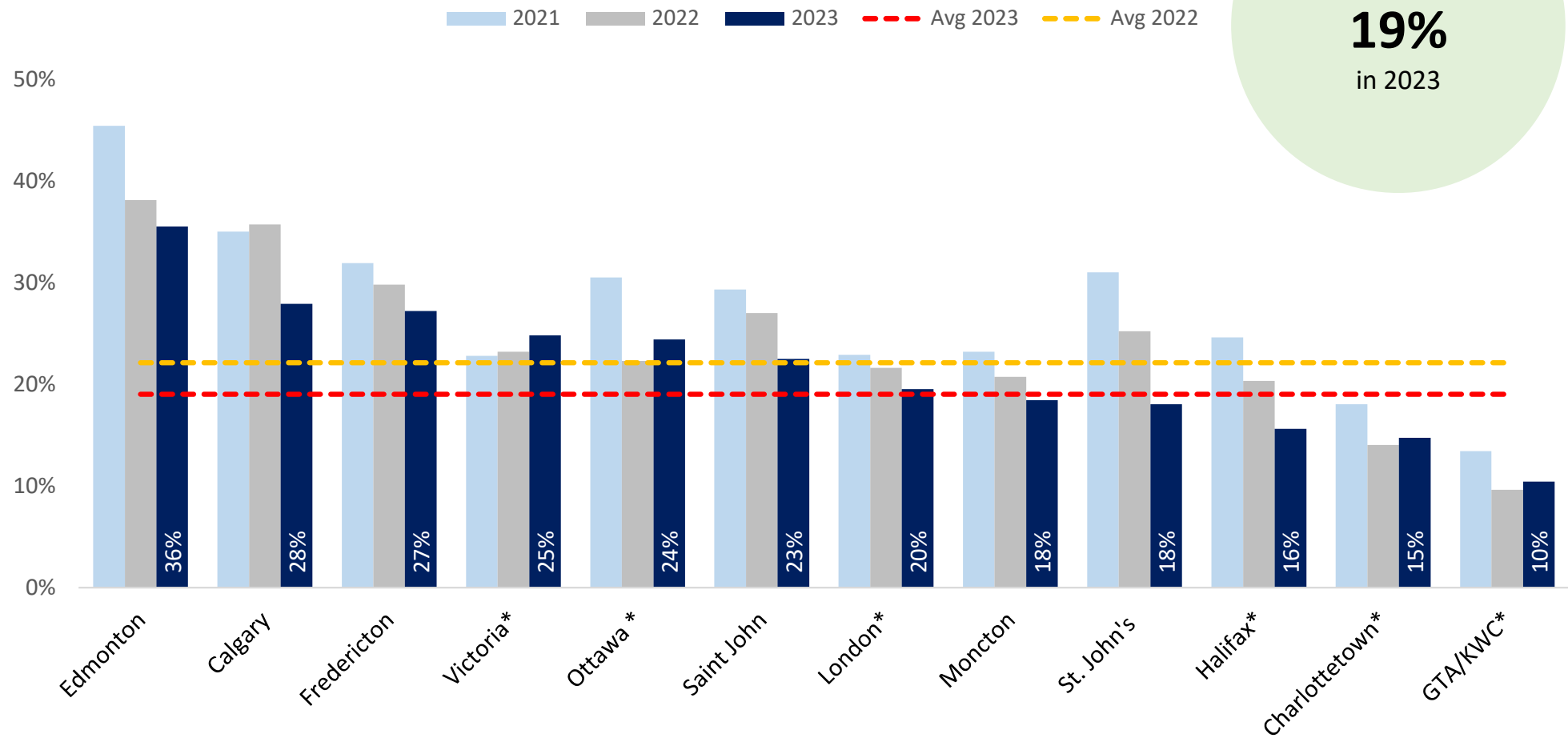


Debt to Normalized EBITDA⁽³⁾



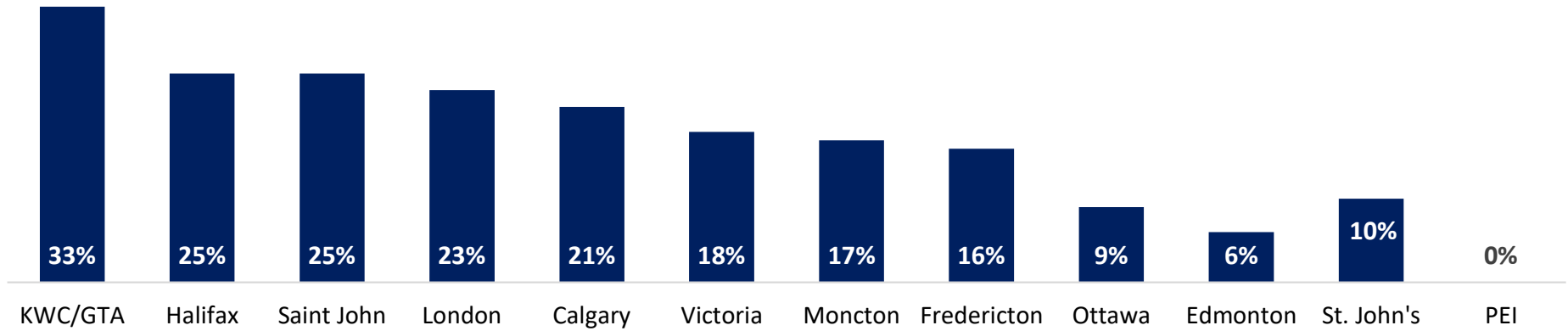
- 1) Total debt as a percentage of total assets is a capital management financial measure. For a full description of total debt as a percentage of total assets, see slide 20.
- 2) Interest coverage ratio is a non-IFRS ratio. For a full description and calculation of the non-IFRS measures, see slide 20 and page 36 of Killam's Management Discussion and Analysis for the period ended December 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 20 and page 36 of Killam's Management Discussion and Analysis for the period ended December 31, 2023.

Annual Turnover by Region

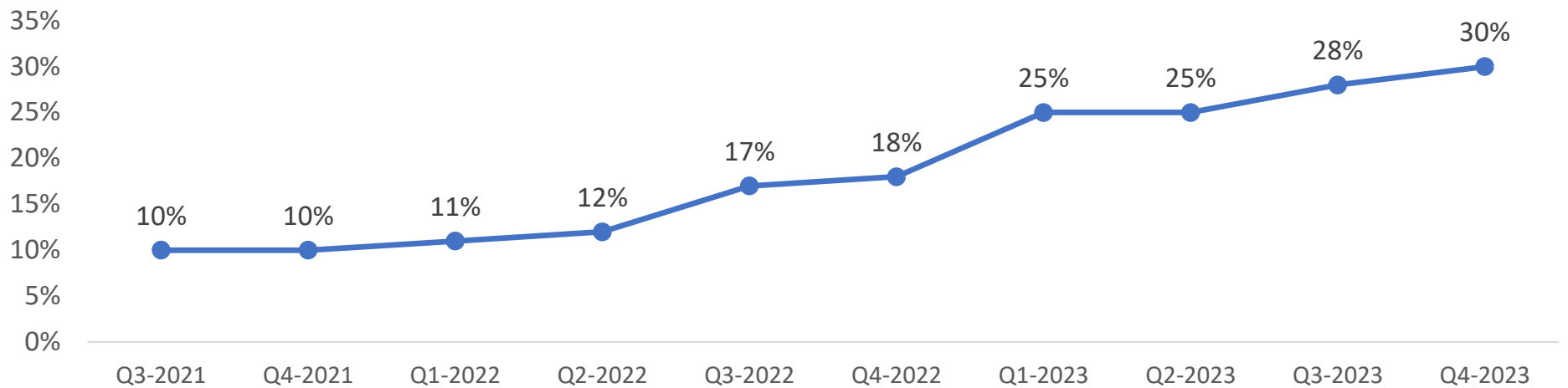


*Regions with provincial rent control in place.

Estimated Mark-to-Market Spread by Region



Estimated Total Mark-to-Market Opportunity



Province	Apartments 2024 limit	MHCs 2024 limit	Killam's Exposure ⁽¹⁾
Nova Scotia	5.0%	5.8%	30.3% ⁽²⁾
Ontario	2.5%	2.5%	19.0% ⁽³⁾
Prince Edward Island	3.0%	N/A	4.2%
British Columbia	3.5%	N/A	3.7%
Total Exposure to Rent Control			57.2%

- (1) As a percentage of total net operating income (NOI) as at December 31, 2023; including apartment portfolio and MHC portfolio, where applicable. Provincial rent control does not apply to commercial leasing.
- (2) Nova Scotia's temporary rent control legislation is expected to come off at the end of 2025.
- (3) Measured as total NOI from Ontario apartment portfolio (20.1%), Ontario MHC portfolio (2.8%) less NOI generated from Ontario apartment properties built after December 2018 (3.9%).

Nolan Hill Phase II, the second phase of a six-building complex, makes up 234 units across 3 buildings.



Nolan Hill 2 Calgary, AB



234 units
3 buildings



Completed
Q4-2023



\$65.0 million ⁽¹⁾



(1) Killam had a 10% interest in the Nolan Hill Phase II development of \$6.5 million and acquired the remaining 90% interest in December 2023, based on the purchase price of \$65.0 million, for a 100% interest.

Q4-2023 | Leasing of Developments Continues

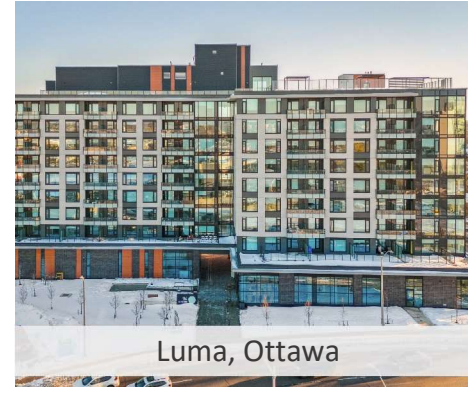
Fully leased



Latitude, Ottawa



The Kay, Mississauga



Luma, Ottawa

50% leased



Governor, Halifax

72% leased



Civic 66, Kitchener

55% leased



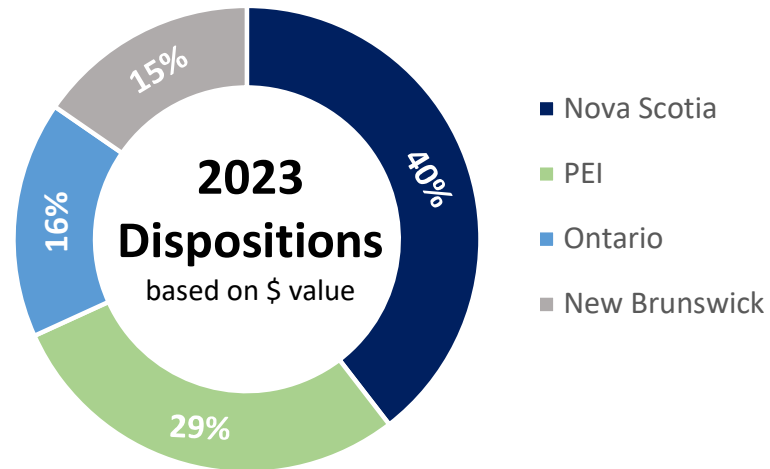
Nolan Hill Phase 2, Calgary

⁽¹⁾ As of February 13, 2024.

Killam is focused on identifying dispositions that will maximize value for our Unitholders and strengthen our balance sheet. Our strategic target of recycling **\$100 million** of non-core assets in 2023 is accretive to NAV and FFO.

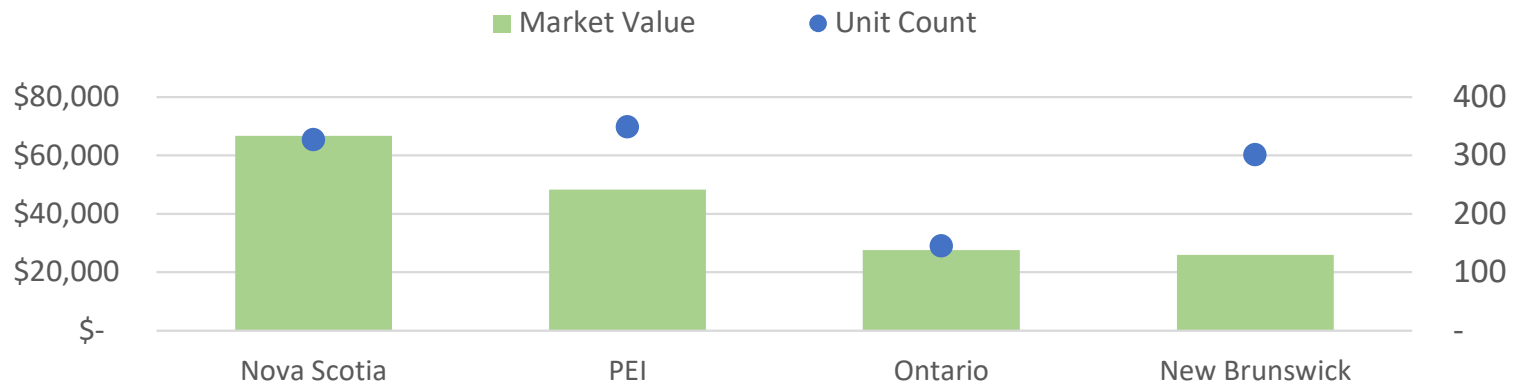
Property	Location	Disposition Date	Sale Price (\$ 000's)	Units
266 Bronson Ave	Ottawa, ON	Mar 17, 2023	\$9,800	43
The James	Halifax, NS	April 21, 2023	\$33,000	108
Browns & University	Charlottetown, PEI	May 12, 2023	\$21,320	122
Kristin Way	Ottawa, NS	May 16, 2023	\$17,850	102
Parkwood Apartments	Saint John, NB	Sept 13, 2023	\$15,000	205
Edward Court	Miramichi, NB	Oct 5, 2023	\$10,950	96
Cabot House	Sydney, NS	Nov 2, 2023	\$13,950	88
Moxham Court	Sydney, NS	Nov 2, 2023	\$8,550	51
Ducks Portfolio (Ducks 1, Ducks 2, Country Place, 27 Longworth)	Charlottetown, PEI	Nov 15, 2023	\$23,850	201
280 Shakespeare Drive	Charlottetown, PEI	Nov 15, 2023	\$3,150	26
Alton & Kelly	Halifax, NS	Dec 5, 2023	\$11,250	80
Total to-date			\$168,670	1,122 units

In 2023, Killam completed over **\$168.7 million** in strategic dispositions



Total Sales Value and Units Sold by Region

(\$ 000's)



WESTMOUNT PHASE 1 (The Carrick)

Broke ground on the 139-unit development in Waterloo in Q2-2022.



Project rendering

Killam obtained attractive financing terms for The Carrick through CMHC's **Apartment Construction Loan Program**



Progress shots as of February 2024

Key Statistics

Number of units	139
Start date	Q2-2022
Est. completion date	H2-2025
Project budget (\$M)	\$83.5
Cost per unit	\$601,000
Expected yield	4.00%-4.25%
Avg rent	\$3.00-\$3.25 per SF
Avg unit size	870 SF



Project rendering

Key Statistics

Number of units	55
Start date	Q1-2024
Est. completion date	2026
Project budget (\$M)	\$33.6
Cost per unit	\$611,000
Expected yield	4.50%-5.00%
Avg rent	\$3.75-\$4.00 per SF
Avg unit size	765 SF



Eventide Development Site – February 2024

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 90.0% of the fair value of Killam's investment property portfolio as at December 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 Q4-2023 Management's Discussion and Analysis for further details on these non-IFRS measures and, where applicable, reconciliations to the most directly comparable IFRS measure.



**Q4-2023 Results
Conference Call**