





# Cautionary Statement

This presentation may contain forward-looking statements with respect to Killam Apartment REIT 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” or the negative thereof or similar variations. The actual results and performance of Killam Apartment REIT 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, Killam’s Management’s Discussion and Analysis for the three and six months ended June 30, 2021, and other securities regulatory filings. The cautionary statements qualify all forward-looking statements attributable to Killam Apartment REIT and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date to which this presentation refers, and the parties have no obligation to update such statements.

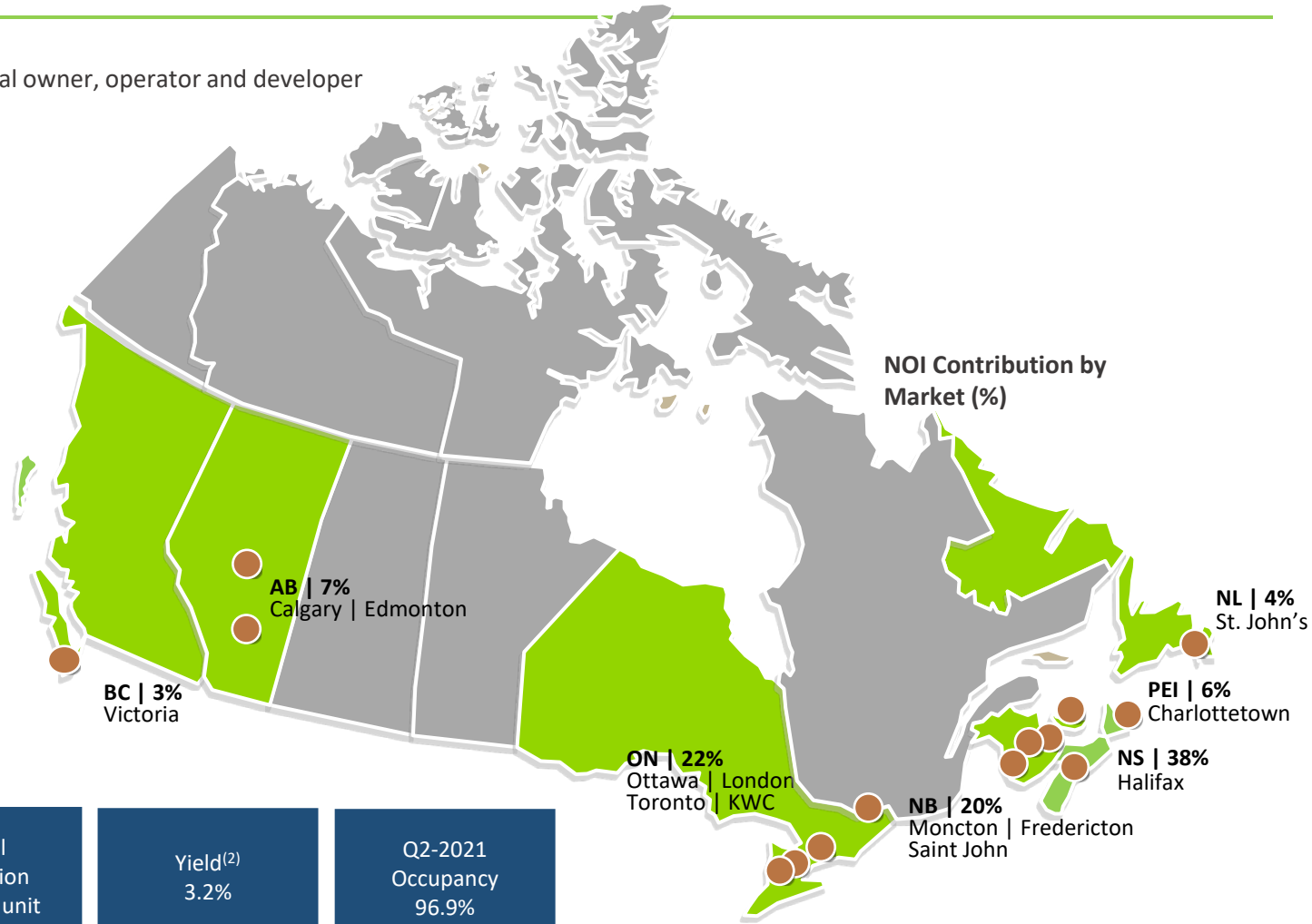
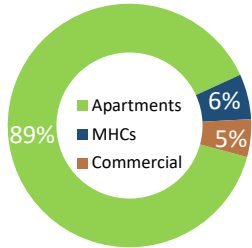


# Portfolio Statistics



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

NOI by Sector



Market Capitalization <sup>(1)</sup> \$2.4B	Annual Distribution \$0.70 per unit	Yield <sup>(2)</sup> 3.2%	Q2-2021 Occupancy 96.9%
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Apartment Units 18,169	MHC sites 5,875	Commercial Properties 1.0 million SF	Avg Monthly Apartment Rent \$1,202	Portfolio Average Age 28 years
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(1) Includes exchangeable units.  
(2) As of September 1, 2021.

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.

## Positioned for long-term success

### 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 36% of NOI generated from apartments built in the last 10 years.



### Experienced Developer

\$1.3 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

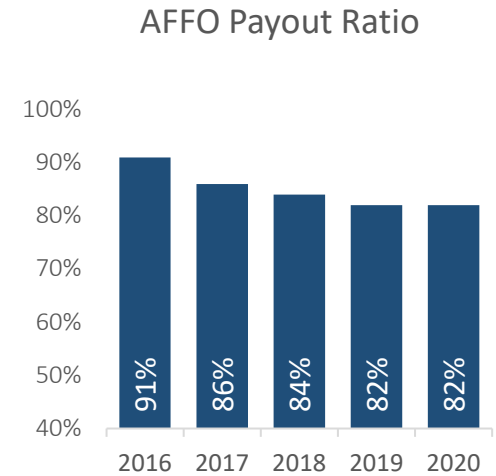
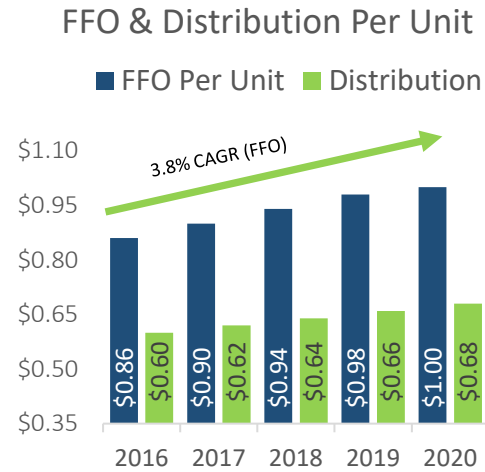
5-years of increasing distributions and declining payout ratios



### Engaged Team

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

# Proven Record of Strong Growth





## Grow Same Property NOI

- 2021 Target: >2%, subject to COVID-19 related restrictions being lifted by Q3-2021.
- \*\*Revised in Q2-2021: >3.5%
- YTD 2021 Performance: 3.6%

## Expand the Portfolio Through Acquisitions

- 2021 Target: Acquire a minimum of \$100M.
- YTD 2021 Performance: Acquired \$271M in acquisitions in YTD-2021.

## Diversify Geographically

- 2021 Target: Earn >32% of 2021 NOI outside Atlantic Canada.
- YTD 2021 Performance: Killam is on track to meet this target.

## Develop High-Quality Properties

- 2021 Target: Complete 166 units (two buildings) and break ground on two additional developments (>150 units).
- YTD 2021 Performance: Killam is on track to meet this target.

## Strengthen the Balance Sheet

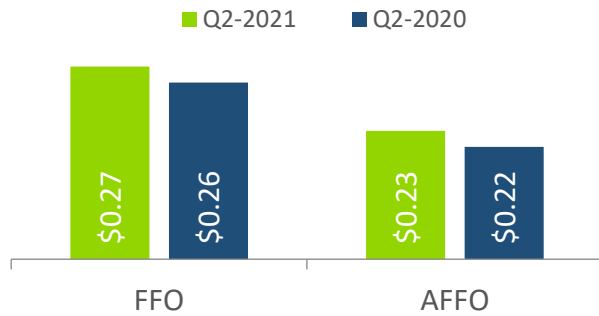
- 2021 Target: Maintain debt as a % of assets ratio below 47%.
- YTD 2021 Performance: 44.5% as of June 30, 2021.

## Improve Sustainability

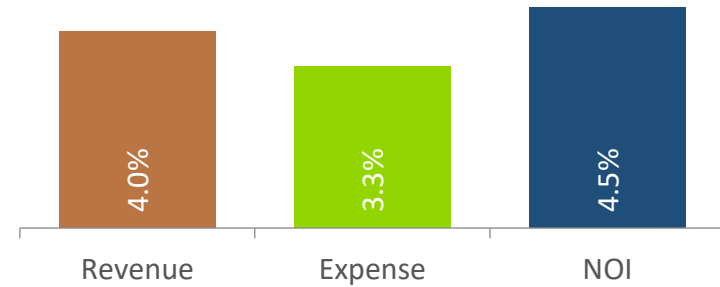
- 2021 Target: Minimum \$5M investment in energy initiatives to reduce Killam's carbon footprint.
- YTD 2021 Performance: Year-to-date Killam has invested \$0.7 million on energy projects and has an additional \$3.4 million in approved projects that are expected to be completed early in the second half of the year.

**Strong FFO and Same Property NOI Growth** due to rental rate growth, improved occupancy and modest expense growth.

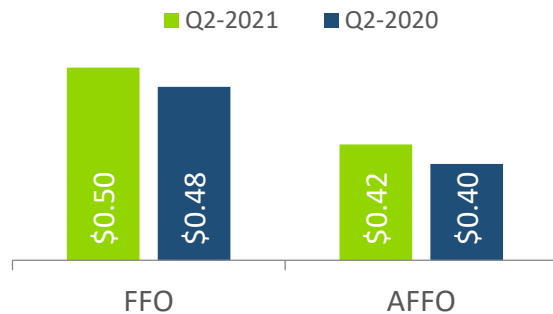
**Q2 FFO & AFFO Per Unit**



**Same Property Portfolio Performance For the three months ended June 30, 2021**



**YTD FFO & AFFO Per Unit**



**Same Property Portfolio Performance For the six months ended June 30, 2021**

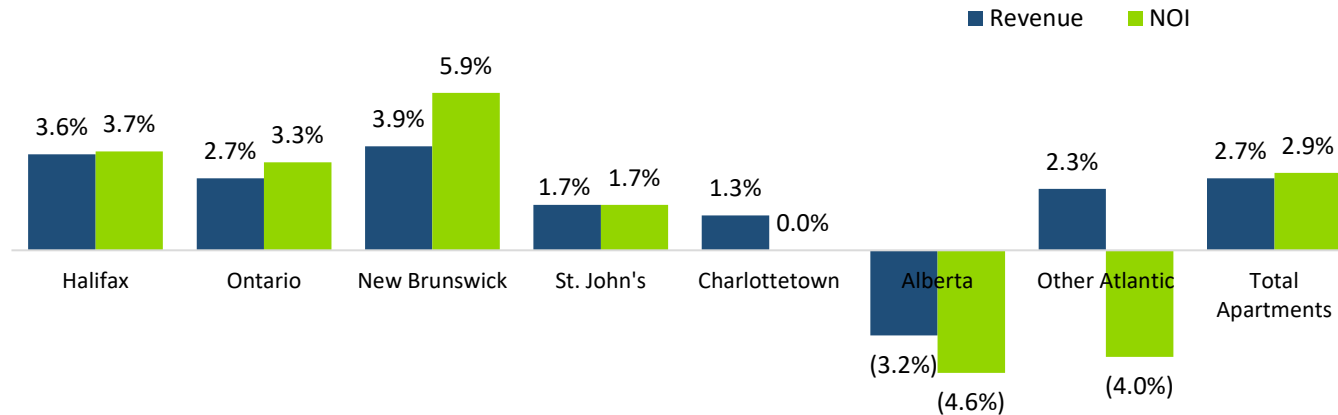




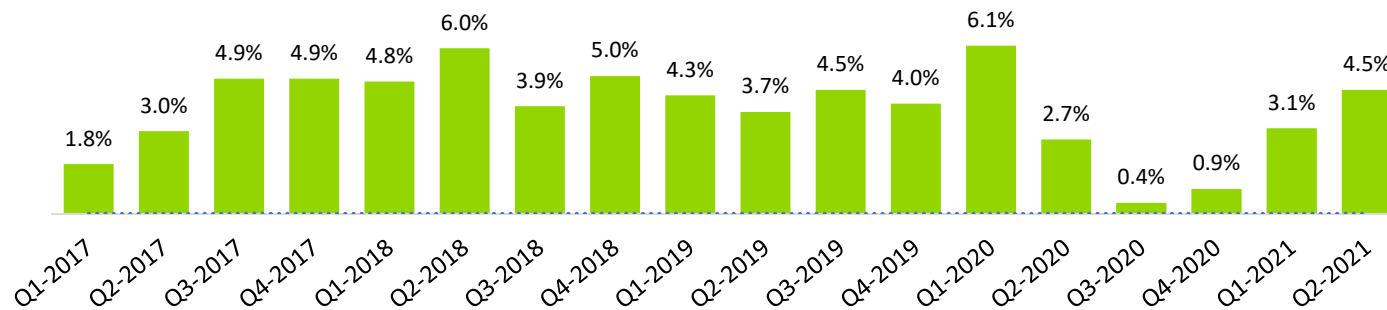
# Consistent Strong Growth from Existing Portfolio

Strength in the Maritime provinces and Ontario drove strong revenue and net operating income in YTD 2021.

### YTD-2021 Same Property Apartment Growth by Market



### Same Property NOI Growth by Quarter



- Killam’s average rent varies between 15% - 25% of the median household income in each of its regions, well below the CMHC maximum threshold of 30% for affordability.
- 50% of Killam’s portfolio rents for \$1,100 per month, or less.
- Average rent is \$1.42 per SF across the portfolio.
- Supports affordable housing with more than 825 subsidized units through community partnerships.
- Actively involved as part of the solution. Example: Secured debt through CMHC’s Rental Construction Financing initiative (RCFi) program with the Nolan Hill acquisition in Jan 2021.
  - 78 of the 233 units are at 70% of market rents.

Region	Killam’s Rent as a % of Median Household Income <sup>(1)</sup>
Halifax	20.3%
Ottawa	24.8%
London	25.0%
Cambridge	23.7%
Moncton	18.1%
Fredericton	18.8%
Saint John	15.5%
Charlottetown	19.2%
St. John’s	15.1%
Calgary	15.2%
Edmonton	18.7%

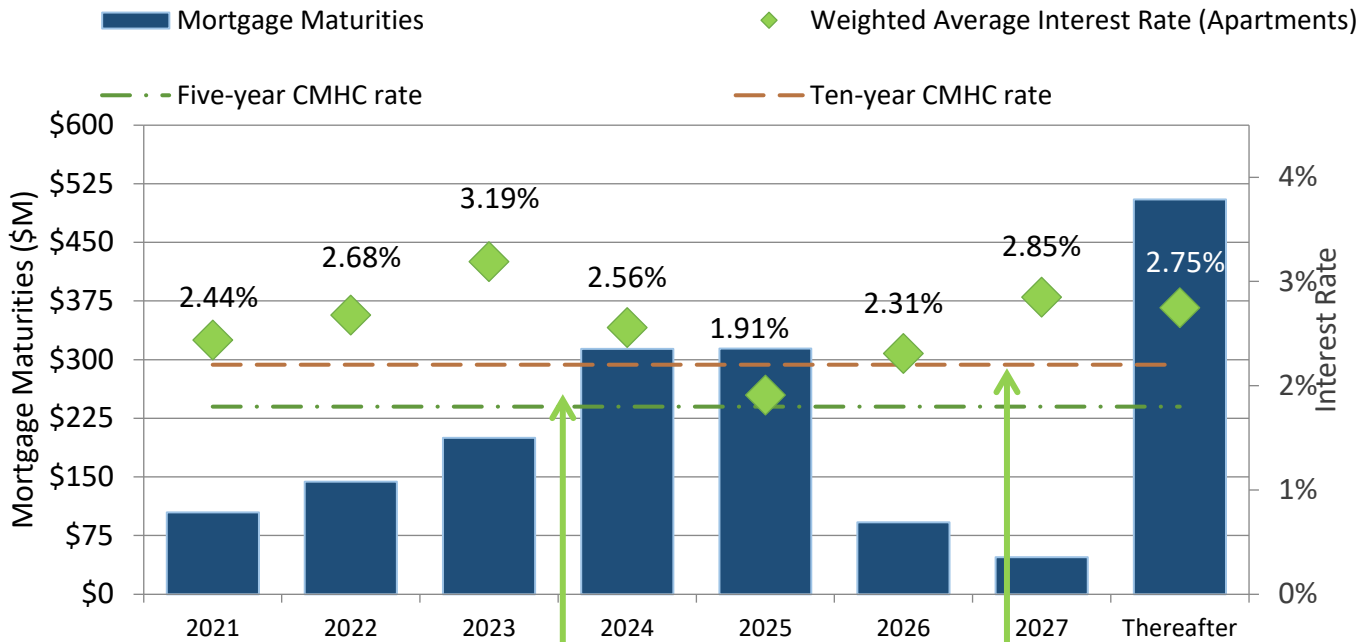
(1) Per CMHC Housing Market Information Portal - Median Household Income (Before Taxes), 2016



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

# Mortgage Refinancings and Renewals

Apartment Mortgage Maturities by Year  
As at June 30, 2021



Current rate for 5-year and 10-year CMHC insured debt is approximately 1.8% and 2.2%.

**Current Weighted Average Interest Rate**

**2.61%**

**Weighted Average Term to Maturity**

**4.3 years**

**Apartment Mortgages CMHC Insured**

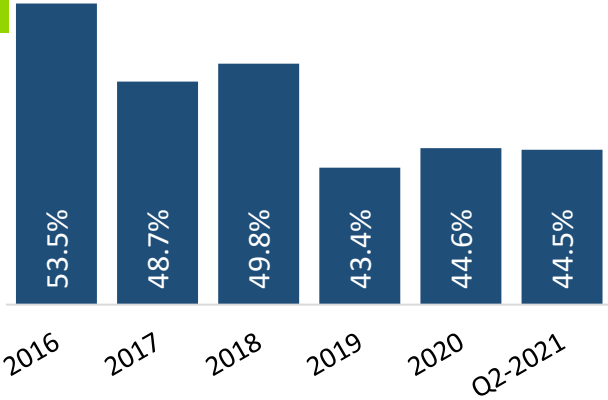
**78%**

# Strong Balance Sheet

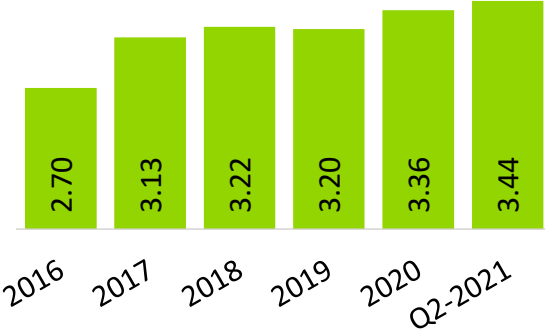


Increasing value of investment properties with conservative debt metrics.

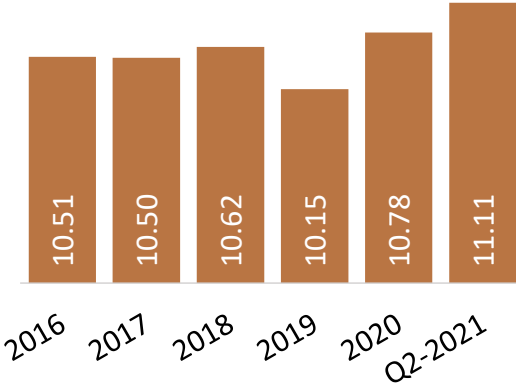
### Debt as a % of Assets



### Interest Coverage Ratio



### Debt to Normalized EBITDA





# Increasing Earnings from Existing Portfolio

## Roadmap to Same Property NOI Growth

### Revenue Optimization

- Data driven decisions on unit **renewals** and **turns** to optimize **mark-to-market** opportunities
- **Repositioning** opportunities to meet market demand

### Expense Management

- Focused **economies of scale** strategies
- Continual property tax **appeals**
- **Employee investment** and training

### Energy Efficiencies

- Energy and water projects ↓ **carbon footprint**, ↓ **consumption** and ↑ **earnings**

### Technology Investments

- **Data driven** decisions on revenue optimization and expense management
- Property-level **NOI enhancing** technology
- Continuous **process improvement**

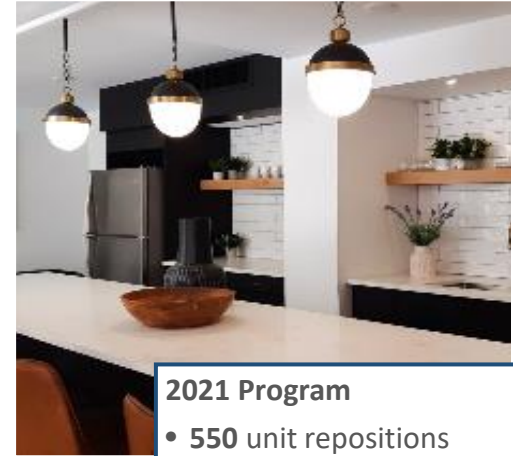


Revenue growth through unit repositions to meet market demand to optimize NOI growth and investment returns.



### YTD-2021 Actuals

- 287 unit repositions
- 13% ROI
- \$25k avg investment



### 2021 Program

- 550 unit repositions
- ~\$14-16M investment
- ~\$1.8-2.0M annualized revenue

### Total Opportunity

- 5,500 unit repositions
- ~\$140-165M investment
- ~\$18-21M annualized revenue growth



Based on a 4.75% cap rate this investment would increase the NAV by ~\$260M.

Note: Unit renovations have continued in compliance with social distancing measures throughout the pandemic.

**ENERGY**



**BUILDING IMPROVEMENTS**



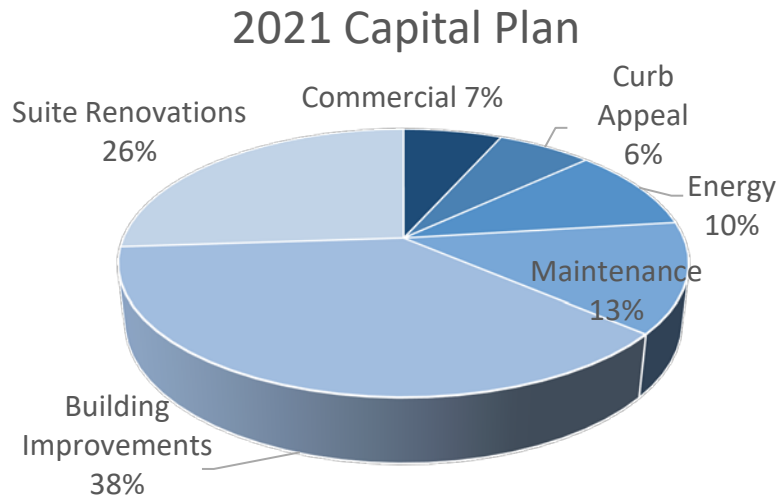
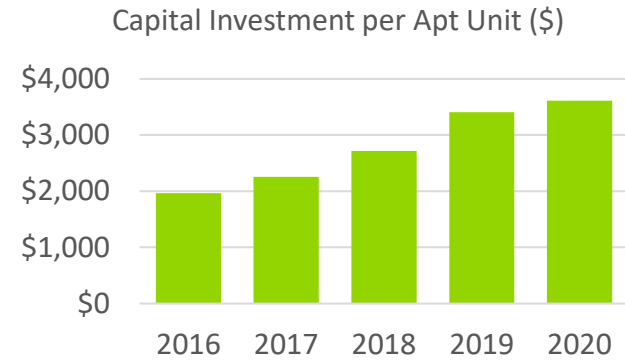
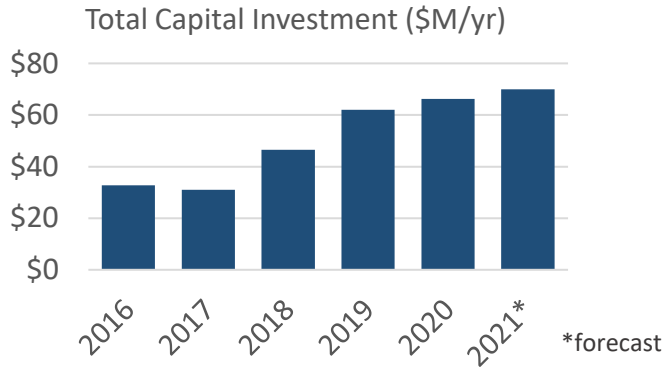
**CURB APPEAL**



**HEATING PLANT UPGRADES AND MAINTENANCE**



# Capital Investment





## 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.



Killam continues to build on its current successes to make its buildings **more sustainable** and **resilient** to the impacts of climate change.

### Longer-term Targets

- Reduce GHG emissions by 15%<sup>(1)</sup> by 2030.
- Produce a minimum of 10% of electricity<sup>(2)</sup> through renewable energy sources by 2025.

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

(2) Operational controlled electricity.

Killam has committed to ambitious but realistic ESG targets to work towards in the medium-term. These goals aim to **mitigate Killam's carbon footprint**, maintain good corporate citizenship and **create long-term value** for its stakeholders.



## ENVIRONMENTAL

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



## SOCIAL

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



## GOVERNANCE

- Continue to participate in GRESB survey annually, targeting a minimum increase of 5% each year to reach GRESB 4 Star ranking by 2025 and continue to expand ESG disclosures.
- Increase the diversity of employees, including a 25% increased representation of employees who identify as racialized, as persons with a disability, and as LGBT2Q+ by 2025.

(1) Scope 1 and 2 emissions from 2020 levels.  
(2) Operational controlled electricity.

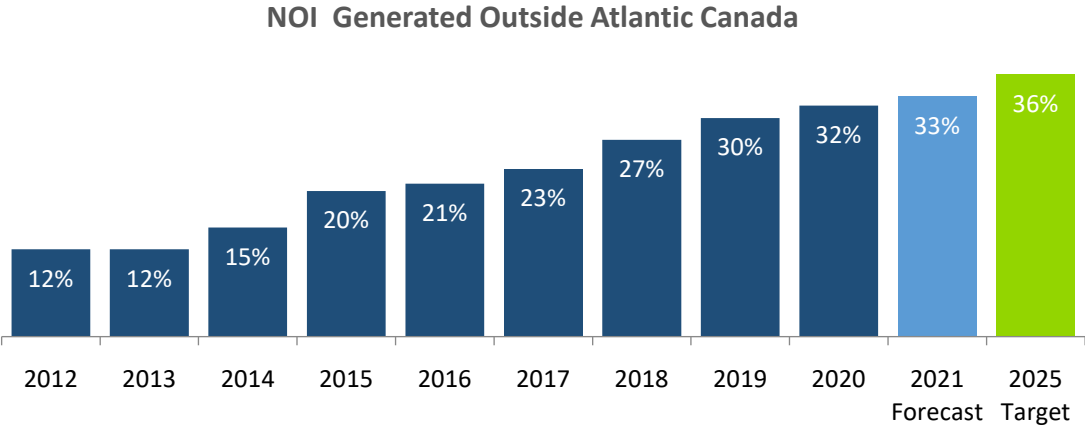
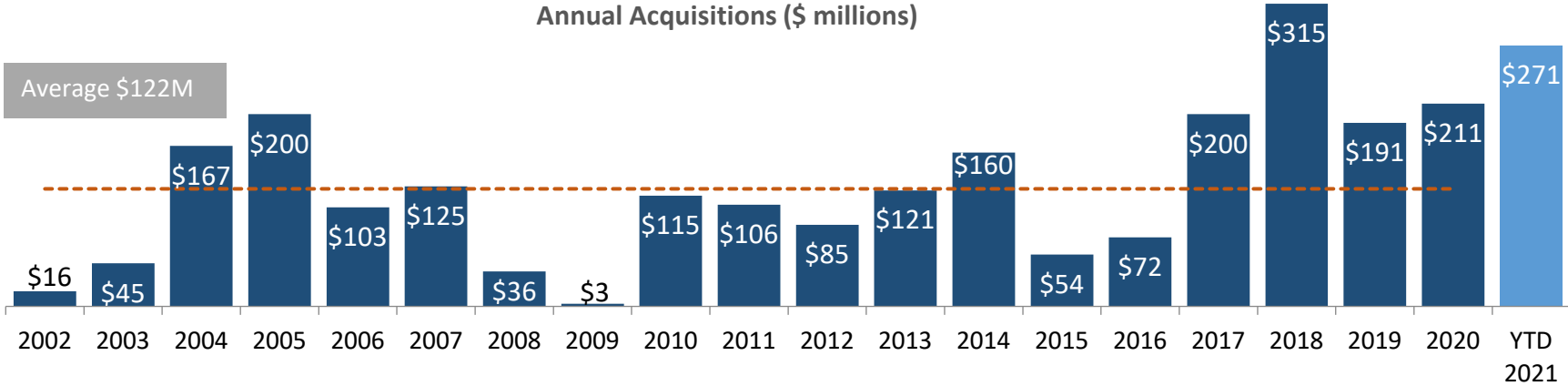


Killam's 2020 ESG report can be found on Killam's website at [killamreit.com/esg](https://killamreit.com/esg)

# Expand Portfolio Through Accretive Acquisitions



Expanding the portfolio and diversifying geographically through accretive acquisitions, with an emphasis on newer properties.





### Nolan Hill

- Northwest Calgary; new development
- 233 units; 100% leased
  - 78 units at 70% of market rates, avg. \$1,001 per unit (\$1.22/SF)
  - 155 units at market, avg. \$1,421 per unit (\$1.73/SF)
- \$49.5 million (\$231k per unit)\*
- 4.5% capitalization rate
- Closed: January 21, 2021

\* Killam invested \$4.8M for a 10% interest in this development. \$49.5M represents the remaining 90% ownership.

### 54 Assomption Blvd

- Downtown Moncton; built in 2004
- 23 units; 15 one bdrm and 8 two bdrm units
- Average rent – \$1,369/month (\$1.43 per SF)
- \$5.6 million
- 4.2% capitalization rate
- Closed: February 1, 2021







### Charlottetown Mall

- \$10.1 million (Additional 25% acquired)
- Ownership: 75% Killam/25% PEI operator\*
- Closed June 1, 2021
- 352,000 SF enclosed mall; 32 acres
- 60,000 SF vacant space
- Opportunities with local and diverse leasing, development and improved operating efficiencies.

\*Killam's former joint venture partner, RioCan REIT, sold their 50% interest to Killam and a local PEI real estate operator.



### 38 Pasadena | St. John's

- 40 units
- Avg Mth Rent \$860 per unit
- 100% occupied
- \$4.2 million
- Closed: June 8, 2021





Focused on **diversifying the portfolio geographically**, a 785-unit portfolio in KWC was purchased on June 30, 2021.



**Acquisition Details:**

\$190.5 million

3.5% capitalization rate

\$123.9 million mortgages:

- \$65.5 million; 4-yr; 2.18%
- \$58.4 million; 3-yr; 1.97%

Closed: June 30, 2021

**The Estates | Kitchener**

137 units | Avg 865 SF | 99% occupied  
Avg Mth Rent \$1,319 per unit (\$1.53/SF)





**Heritage Place | Kitchener**  
160 units | Avg 1,084 SF | 100% occupied  
Avg Mth Rent \$1,197 per unit (\$1.10/SF)





**Northfield Gardens | Waterloo**  
274 units | Avg 800 SF | 100% occupied  
Avg Mth Rent \$1,195 per unit (\$1.49/SF)





**Ridgeway & Somerset | Kitchener**  
214 units | Avg 740 SF | 99% occupied  
Avg Mth Rent \$1,169 per unit (\$1.58/SF)



KWC region is a **strong economic hub** that will continue to be a main driver of growth for Killam.



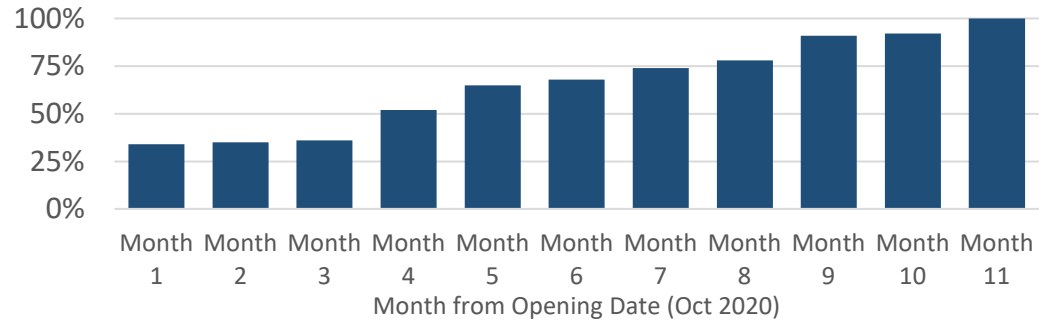


# Strong Leasing of Developments

**Shorefront | 78 units | Charlottetown, PE**



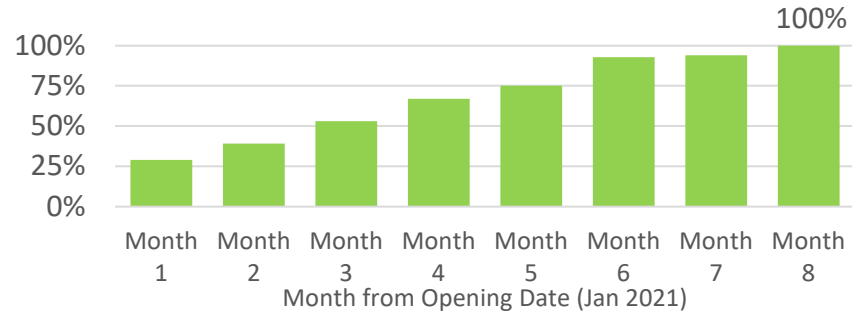
**Shorefront Leasing Activity (as of Aug 31, 2021)**



**Nolan Hill | 233 units | Calgary, AB**



**Nolan Hill Leasing Activity (as of Aug 31, 2021)**

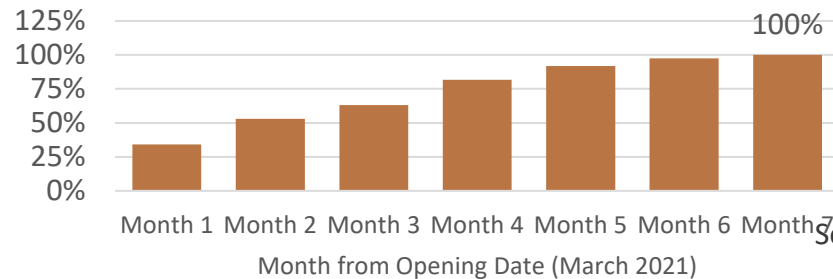


2021 has shown strong leasing activity with all 349 units at the three properties fully leased by Aug-21.

**10 Harley | 38 units | Charlottetown, PE**



**10 Harley Leasing Activity (as of Aug 31, 2021)**



# Strong Leasing of Developments

**Shorefront | 78 units | Charlottetown, PE**



**Nolan Hill | 233 units | Calgary, AB**

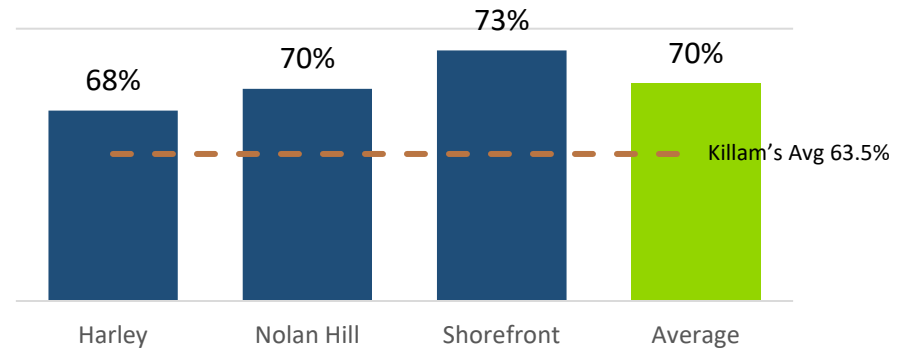


**10 Harley | 38 units | Charlottetown, PE**

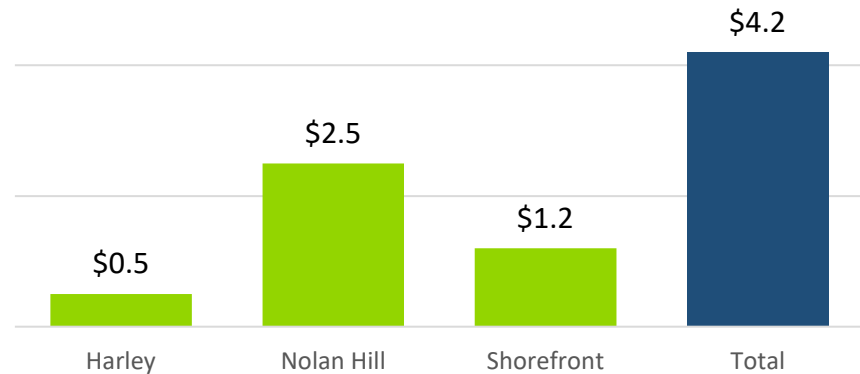


These newly completed developments contributed \$0.3 million to FFO in Q2-2021 with further FFO growth throughout the remainder of 2021.

## Operating Margin % (Stabilized)



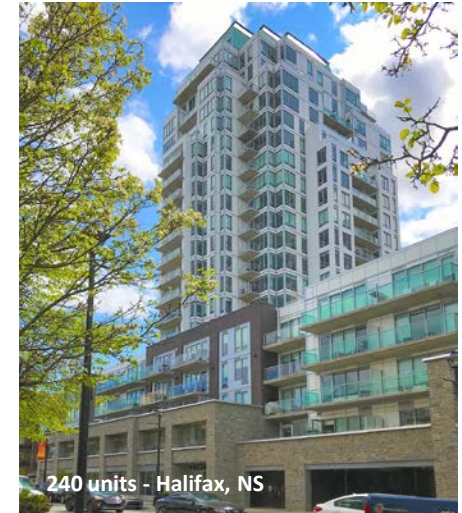
## Annual NOI Contribution in \$ millions (Stabilized)





# Develop High-Quality Properties

More than \$300 million of developments completed.



# Developing High-Quality Properties

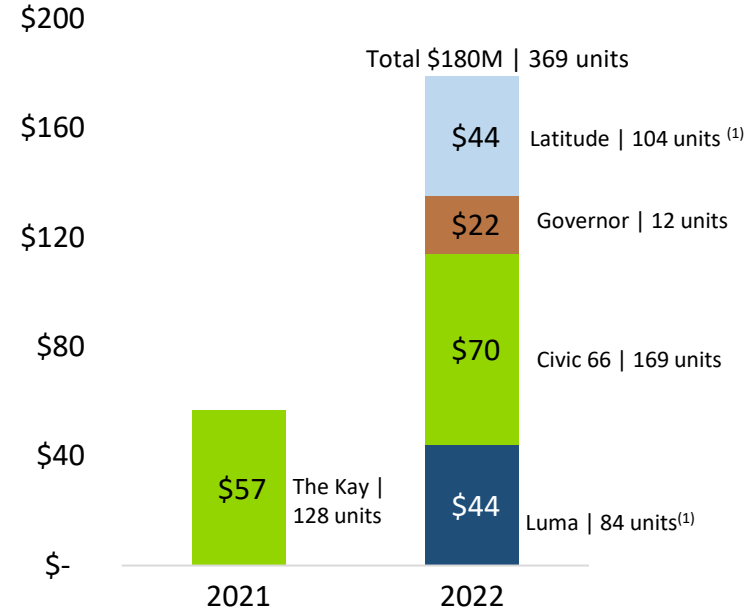


With Shorefront, Harley and Nolan Hill now open, Killam currently has five developments underway, which will add an additional 497 units to Killam's portfolio by the end of 2022. This current pipeline has a construction cost of ~\$237 million and will contribute to FFO per unit growth starting in 2022-2024.



## Developments – Scheduled Completion

2021-2022  
\$millions



(1) Represents Killam's 50% ownership

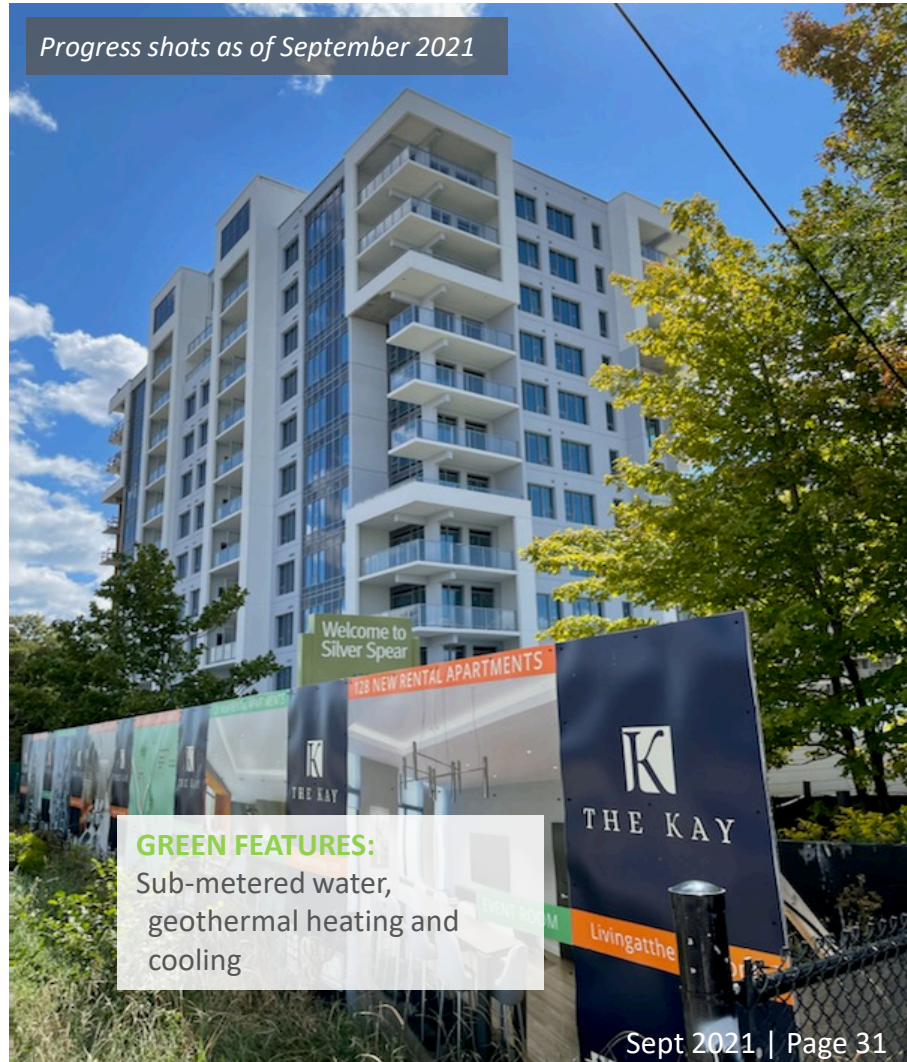


# Development Activity - Mississauga

**THE KAY**, 128-unit development broke ground in Q3-2019 and is expected to be completed in Q4-2021.

## Key Statistics

Number of units	128
Start date	Q3-2019
Est. completion date	Q4-2021
Project budget (\$M)	\$57.0
Cost per unit	\$445,000
Expected yield	4.5%-4.75%
Expected cap-rate	3.5%
Avg unit size	748 SF
Avg rent	\$2.98 per SF



## THE LATITUDE, 209-unit development

Progress shots as of September 2021



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



### Key Statistics

Number of units	209
Start date	Q2-2019
Estimated completion date	Q1-2022
Project budget (\$M) <sup>(1)</sup>	\$43.5
Cost per unit	\$416,000
Expected yield	4.4%-4.6%
Expected value cap-rate	3.5%
Average unit size	803 SF
Average rent	\$2,085 (\$2.60/SF)

(1) Killam's 50% interest.



# Development Activity - Ottawa

**LUMA** – 168-unit development in Ottawa 50/50 with RioCan REIT.



## Key Statistics

Number of units	168
Estimated completion date	Q2-2022
Project budget (\$M) <sup>(1)</sup>	44.3
Cost per unit	\$527,000
Expected yield	4.0%-4.25%
Avg rent	\$2.90 per SF
Avg unit size	748 SF

(1) Killam’s 50% interest.



# Development Activity - Kitchener

**CIVIC 66** – 169-unit development in Kitchener that broke ground in Q3-2020 and is expected to be completed by Q4-2022.

## Key Statistics

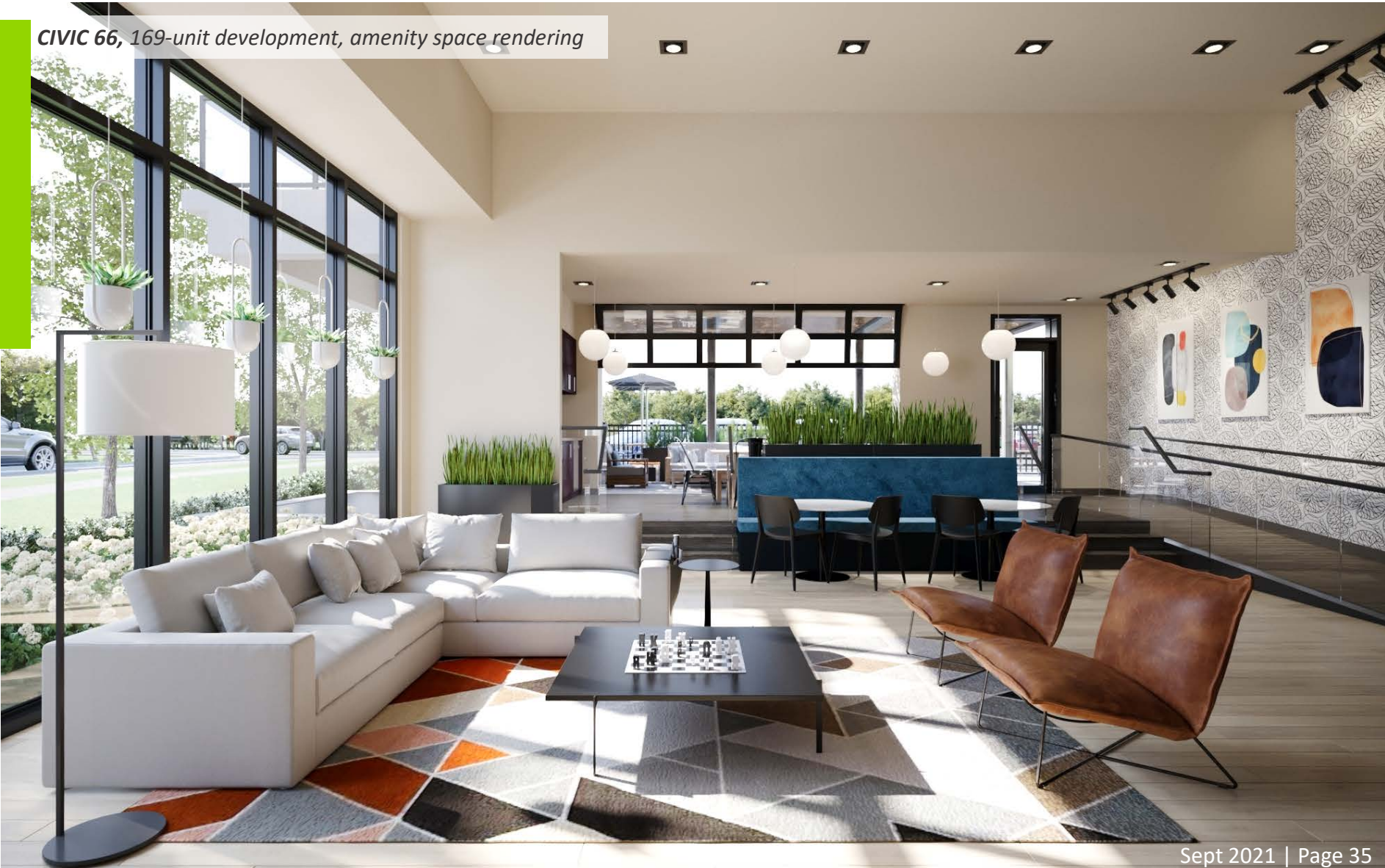
Number of units	169
Start date	Q3-2020
Est. completion date	Q4-2022
Project budget (\$M)	\$69.7
Cost per unit	\$412,000
Expected yield	4.75%-5.0%
Avg unit size	780 SF
Avg rent	\$2.77 per SF





# Development Activity - Kitchener

*CIVIC 66, 169-unit development, amenity space rendering*





*CIVIC 66, 169-unit development, amenity space rendering*



# Development Activity - Halifax

**THE GOVERNOR** - 12 luxury units and 3,500 square foot ground floor commercial development in downtown Halifax.

## Key Statistics

Number of units	12
Start date	Q1-2021
Est. completion date	Q3-2022
Project budget (\$M)	\$22
Expected yield	4.25%-4.75%
Avg unit size	2,350 SF +(330 SF terrace)
Avg rent	\$3.30 per SF





**THE GOVERNOR**, 12-unit development broke ground in early 2021 and is expected to be completed in Q3-2022.



*THE GOVERNOR, interior suite rendering, average suite size 2,350 SF*





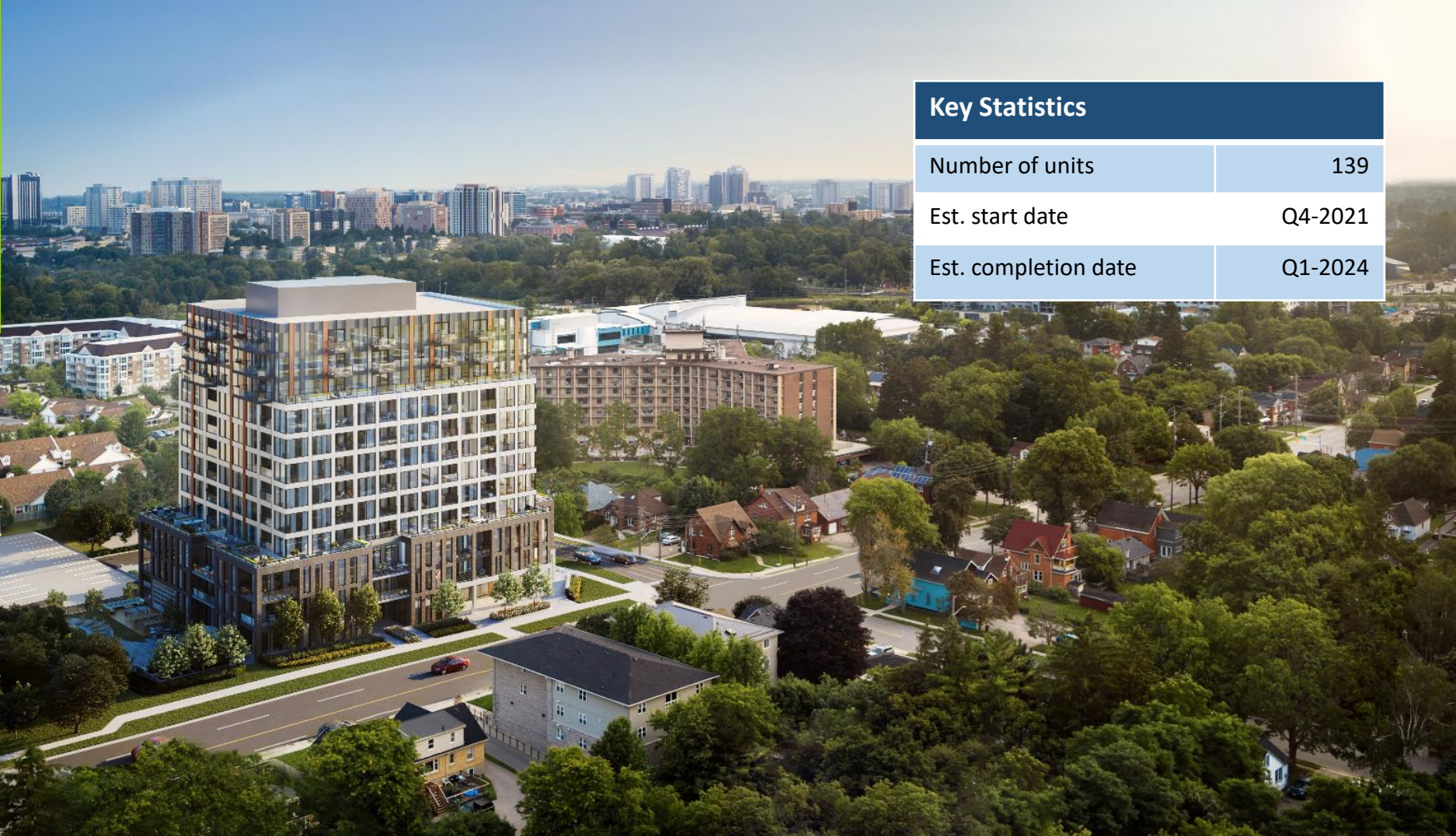
*THE GOVERNOR, interior suite rendering, average suite size 2,350 SF*





# Future Development Activity in Waterloo

**WESTMOUNT PHASE 1** – Expect to break ground on the 139-unit development in Waterloo in Q4-2021.



Key Statistics	
Number of units	139
Est. start date	Q4-2021
Est. completion date	Q1-2024



# Future Development Activity in Halifax

**CARLTON EAST & WEST** – Expect to start construction on the two building, 140-unit development in Halifax in early 2022.





# Future Development Activity in Halifax

CARLTON EAST & WEST, 140-unit development





# Development Pipeline of ~\$1.3 billion



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 2021</u>					
Nolan Hill (Phase 2) <sup>(2)</sup>	Calgary, AB	10%	234	Detailed design, preparing submission	2024
Westmount Place (Phase 1)	Waterloo, ON	100%	139	Conditional approval	2024
<u>Developments expected to start in 2022-2026</u>					
Carlton East & West	Halifax, NS	100%	140	Submitted for approval	2024
Stratford Land	Charlottetown, PE	100%	175	In design	2024
Sherwood Crossing	Charlottetown, PE	100%	325	In design	2025
Medical Arts	Halifax, NS	100%	200	Concept design	2025
Hollis Street	Halifax, NS	100%	100	In design	2025
Gloucester City Centre (Phase 3)	Ottawa, ON	50%	200	In design	2025
Westmount Place (Phase 2)	Waterloo, ON	100%	150	In design	2028
<u>Additional future development projects</u>					
Nolan Hill (Phase 3-4) <sup>(2)</sup>	Calgary, AB	10%	468	Future development	TBD
Christie Point	Victoria, BC	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>4,163</b>		

Over half of Killam's development pipeline is outside Atlantic Canada. Killam targets yields of 4.5% to 5.0% on development, 50–150 bps higher than the expected cap-rate value on completion. Building out the \$1.3 billion pipeline at a 100 bps spread would create approximately \$300 million in NAV growth for unitholders.

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

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

## Non-IFRS Measures

### Non-IFRS Measures

Management believes these non-IFRS financial measures are relevant measures of the ability of the REIT to earn revenue and to evaluate Killam's financial performance. The 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.

- Funds from operations ("FFO"), and applicable per unit amounts, are calculated by Killam as net income adjusted for depreciation on an owner-occupied building, 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, interest expense related to lease liabilities, insurance proceeds, and non-controlling interest. FFO are calculated in accordance with the REALPAC definition, except for the adjustment of insurance proceeds as REALPAC does not address this adjustment.
- Adjusted funds from operations ("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 spend to maintain and sustain Killam's properties), commercial leasing costs and straight-line commercial rents. AFFO are calculated in accordance with the REALPAC definition. Management considers AFFO an earnings metric.
- Same property results in relation to Killam are revenues and property operating expenses for stabilized properties that Killam has owned for equivalent periods in 2021 and 2020. For Killam's commercial portfolio same property NOI is presented on a cash basis, as it excludes straight line rent. Same property results represent 87.4% of the fair value of Killam's investment property portfolio as at June 30, 2021. Excluded from same property results in 2021 are acquisitions, dispositions and developments completed in 2020 and 2021, non-stabilized commercial properties linked to development projects, and other adjustments to normalize for revenue or expense items that relate to prior periods or are not operational.
- Interest coverage is calculated by dividing earnings before interest, tax, depreciation and amortization ("EBITDA") by interest expense, adjusted for interest expense related to exchangeable units.
- Debt service coverage is calculated by dividing EBITDA by interest expense, less interest expense related to exchangeable units, and principal mortgage repayments.
- Debt to normalized EBITDA is calculated by dividing interest-bearing debt (net of cash) by EBITDA that has been adjusted for a full year of stabilized earnings from recently completed acquisitions and developments.

See the Q2-2021 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

September 2021

## Contact Information

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