



minto
Apartment REIT

Q4 2023 Highlights Teleconference

March 7, 2024





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Non-International Financial Reporting Standards (“IFRS”) Financial Measures

The REIT prepares and releases consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”). As a complement to these financial statements, the REIT also discloses and discusses in this presentation and in answers to questions certain non-IFRS financial measures including funds from operations (“FFO”), adjusted funds from operations (“AFFO”), normalized FFO, normalized AFFO, net operating income (“NOI”), normalized NOI and debt-to-gross book value, which are measures commonly used by publicly traded entities in the real estate industry. Management believes that these metrics are useful for measuring different aspects of performance and assessing the underlying operating performance on a consistent basis. However, these measures do not have a standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other publicly traded entities. These measures should strictly be considered supplemental in nature and not a substitute for financial information prepared in accordance with IFRS and should not be construed as an alternative to net income or cash flows provided by or used in operating activities. Further definitions and discussion of these non-IFRS measures and a reconciliation of FFO, AFFO and NOI to comparable IFRS measures are provided in the most recent MD&A in the sections entitled “Non-IFRS and Other Financial Measures” and “Reconciliation of Non-IFRS Financial Measures and Ratios”.



FY 2023 Snapshot

Strong operating results coupled with disciplined capital allocation led to cash flow per unit growth despite the elevated interest rate environment

Strong Operating Results

(\$ millions, except % and per unit amounts)	FY 2023	YoY Growth
Average monthly rent ¹	\$1,877	▲ 8.4%
Occupancy ²	97.1%	▲ 150 bps
AMR ¹ - Same Property Portfolio ³	\$1,859	▲ 6.8%
Occupancy ² - Same Property Portfolio ³	97.2%	▲ 160 bps
Revenue	\$157.9	▲ 9.8%
Normalized NOI ⁴	\$98.5	▲ 12.2%
Normalized NOI margin ⁴	62.4%	▲ 130 bps
Revenue - Same Property Portfolio ³	\$144.3	▲ 8.0%
Normalized NOI ⁴ - Same Property Portfolio ³	\$90.6	▲ 10.1%
Normalized NOI margin ⁴ - Same Property Portfolio ³	62.8%	▲ 120 bps
Normalized FFO ⁴	\$56.6	▲ 6.2%
Normalized FFO/unit ⁴	\$0.8617	▲ 4.9%
Normalized AFFO ⁴	\$49.9	▲ 7.3%
Normalized AFFO/unit ⁴	0.7608	▲ 6.0%

Normalized FFO/unit⁴ Growth



Key Highlights

- **Double-digit NOI growth**
- **Sequential FFO per unit growth acceleration**
- Execution of the **capital recycling strategy selling three properties** and exiting the non-core Edmonton market.
- **Disciplined capital allocation providing flexibility in 2024**, see details on the next slide.
- **Progressed on existing growth opportunities** by continued construction of development projects, advances on CDLs, repositioning program and value-enhancing capital.
- **Annual cash distribution increased by 3.1%** to \$0.505 from \$0.490, signalling Management's continued positive outlook.
- In the 2023 Global Real Estate Sustainability Benchmark ("GRESB") assessment, **achieved a 3-Star rating and Green Star designation.**

¹ Average monthly rent ("AMR") per occupied unfurnished suite.

² Average occupancy for unfurnished suites.

³ The Same Property Portfolio represents 27 properties wholly and jointly-owned by the REIT for equivalent periods in 2023 and 2022.

⁴ Normalized balances exclude the impact of nonrecurring items not indicative of the REIT's typical operations.



Strengthening the Balance Sheet and Disciplined Capital Allocation

Entering 2024 with flexibility regarding refinancing, operating and investing strategies

The REIT strengthened its balance sheet through its disciplined strategic capital allocation initiatives including:

- Completing the sale of the three Edmonton assets for a combined sale price of \$42.2 million and generating net proceeds of \$9.9 million, used to repay variable-rate debt;
- Refinancing eight mortgages for net proceeds of \$97.9 million, used to repay variable-rate debt;
- Waiving on four right of first opportunities ("ROFO") presented by Minto Properties Inc. ("MPI") for purpose-built rental developments, in addition to a purchase option for a CDL property, preserving capital; and
- Deferred construction start of the High Park Village intensification, preserving approximately \$75.0 million of future equity requirements.

Subsequent to year end, in Q1 2024:

- The REIT sold 311 suites to Ottawa Community Housing Corporation for a total sale price of \$86.0 million and net proceeds of \$68.0 million, used to repay variable-rate debt;
- Waived on a ROFO presented by MPI for a stabilized multi-residential property;
- Received repayment of the \$30.0 million CDL associated with the development of Fifth + Bank after the REIT waived on its option to purchase the property in Q2 2023; and
- Continued exploring upward refinancing for three properties with mortgages that have the potential to generate an additional \$55.0 million to \$65.0 million.



Q4 2023 Operating Highlights

Significant acceleration in normalized FFO and AFFO per unit growth

Strong operational performance

- Average monthly rent for occupied unfurnished suites grew 8.4% and unfurnished revenue grew by 7.3% over Q4 2022, respectively
- Achieved gain-on-lease of 16.1% on new leases. Gain-to-lease potential dropped slightly from Q3 2023 to 17.1%, as growth in market rents slowed as is typical through the winter months.
- SPP¹ annualized turnover² aligned with seasonal norms at 20.3% and closing occupancy was stable at 97.3%
- Furnished suite demand is still recovering after the end of the writers' and actors' strike in early Q4 2023 with average occupancy of 66.8% and revenue 1.7% lower than Q4 2022. Despite occupancy below seasonal norms, average monthly rent for furnished suites increased by 21.9% over the same period.
- SPP normalized operating expenses³ grew by 2.0% over Q4 2022 as a milder start to winter resulted in lower maintenance costs and a large drop in natural gas rates reduced utility costs while property taxes and salaries and wages increased.
- SPP normalized NOI³ grew 9.0% and SPP normalized NOI margin³ increased by 150 bps to 63.0% compared to Q4 2022 .

FFO per unit and AFFO per unit growth continued to accelerate

- Normalized FFO per unit³ and normalized AFFO per unit³ for Q4 2023 increased by 21.2% and 25.9%, respectively over Q4 2022.

¹ The Same Property Portfolio ("SPP") represents 27 properties wholly and jointly-owned by the REIT for equivalent periods in 2023 and 2022.

² Annualized turnover is calculated as the number of move-outs for the period divided by total number of unfurnished suites in the portfolio. This percentage is extrapolated to determine an annual rate and as such it is not necessarily representative of a full year's turnover.

³ Normalized balances exclude the impact of nonrecurring items not indicative of the REIT's typical operations.



Q4 2023 Key Operating Results

Revenue growth outpaced operating expenses and refinancing strategies moderated interest rate growth, leading to accelerating FFO and AFFO per unit growth in the quarter

(\$000s except %, suite, per suite and per unit amounts)	Same Property Portfolio ¹			Total Portfolio ²		
	Q4 2023	Q4 2022	Variance	Q4 2023	Q4 2022	Variance
Revenue	\$36,899	\$34,711	6.3%	\$40,286	\$37,916	6.3%
Operating expenses	\$12,951	\$13,381	3.2%	\$14,254	\$14,969	4.8%
NOI	\$23,948	\$21,330	12.3%	\$26,032	\$22,947	13.4%
NOI margin (%)	64.9%	61.5%	340 bps	64.6%	60.5%	410 bps
Normalized NOI ³	\$23,252	\$21,330	9.0%	\$25,236	\$22,947	10.0%
Normalized NOI margin (%) ³	63.0%	61.5%	150 bps	62.6%	60.5%	210 bps
Interest costs				\$10,409	\$10,062	(3.4)%
FFO				\$16,012	\$12,864	24.5%
FFO (\$/unit)				\$0.2439	\$0.1960	24.4%
AFFO				\$14,472	\$11,160	29.7%
AFFO (\$/unit)				\$0.2204	\$0.1700	29.6%
Distributions declared (\$/unit)				\$0.1250	\$0.1212	3.1%
AFFO payout ratio				56.7%	71.3%	1,460 bps
Normalized FFO ³				\$15,216	\$12,560	21.1%
Normalized FFO (\$/unit) ³				\$0.2318	\$0.1913	21.2%
Normalized AFFO ³				\$13,676	\$10,856	26.0%
Normalized AFFO (\$/unit) ³				\$0.2083	\$0.1654	25.9%
Normalized AFFO payout ratio ³				60.0%	73.3%	1,330 bps
Total suites ⁴	7,284	7,284	—	8,037	8,291	(254)
Average monthly rent per occupied suite ⁵	\$1,859	\$1,740	6.8%	\$1,877	\$1,732	8.4%
Average unfurnished occupancy	97.3%	97.2%	10 bps	97.2%	97.1%	10 bps
Closing unfurnished occupancy	97.3%	97.5%	(20 bps)	97.3%	97.6%	(30 bps)

¹ The Same Property Portfolio represents 27 properties wholly and jointly-owned by the REIT for equivalent periods in 2023 and 2022.

² The Total Portfolio represents 29 (December 31, 2022 - 32) properties.

³ Excludes the impact of nonrecurring items not indicative of the REIT's typical operations.

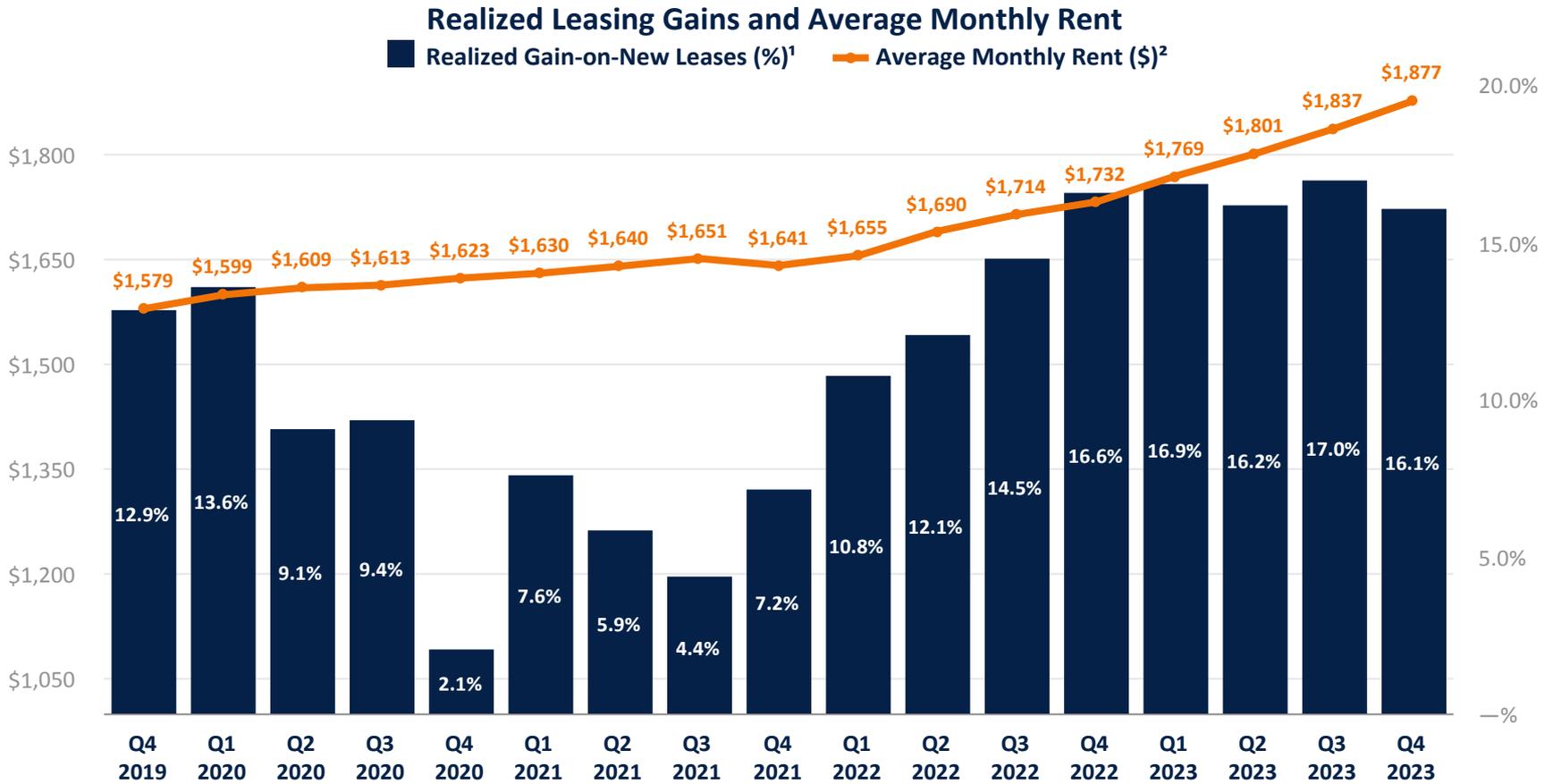
⁴ Includes suites co-owned with institutional partners. For both periods presented: 2,163 suites for Same Property Portfolio and 2,664 suites for the Total Portfolio.

⁵ Excludes 178 furnished suites, 139 vacant suites, 49 suites leased for future occupancy and 37 suites offline for post move-out repairs and maintenance or repositioning.



AMR and Gain-on-Lease Over Time

Average monthly rent continued to grow while capturing gain-on-lease in a typically slower winter leasing season



¹ Average percentage increase in new rents compared to expiring rents on new leases of unfurnished suites.

² Average monthly rent for occupied unfurnished suites.



Realized Leasing Gains and Potential Gain-to-Lease by Geography

Realized gain-on-lease was strong across all markets. Gain-to-lease potential steady at 17.1%

Gain-on-Lease Realized in Q4 2023

Geographic Node	Total New Leases Signed ¹	Expiring Average Monthly Rent	New Average Monthly Rent	Realized Gain-on-Lease	Annualized Gain-on-Lease ² (\$000s)
Toronto	75	\$2,824	\$3,206	13.5%	\$210
Ottawa	129	\$1,744	\$2,077	19.1%	\$564
Alberta	63	\$1,563	\$1,801	15.2%	\$136
Montreal	68	\$1,880	\$2,120	12.8%	\$186
Total/Average	335	\$1,880	\$2,182	16.1%	\$1,096

Gain-to-Lease Potential on existing rents as at December 31, 2023

Geographic Node	Total Suites ³	Current Average Monthly Rent	Management's Estimate of Market Average Monthly Rent	Percentage Gain-to-Lease Potential	Annualized Estimated Gain-to-Lease Potential ² (\$000s)
Toronto	2,319	\$2,183	\$2,632	20.6%	\$7,267
Ottawa	2,945	\$1,727	\$2,047	18.5%	\$11,296
Calgary	641	\$1,751	\$1,951	11.4%	\$1,541
Montreal	1,729	\$1,962	\$2,209	12.6%	\$3,651
Total/Average	7,634	\$1,877	\$2,197	17.1%	\$23,755

Gain-to-lease potential dropped slightly by 60 bps from Q3 2023, as market rents plateaued as is typical in the slower winter months

¹ Includes 100% of new leases signed from co-ownerships and excludes new leases of furnished suites.

² For co-owned properties, reflects the REIT's co-ownership interest only.

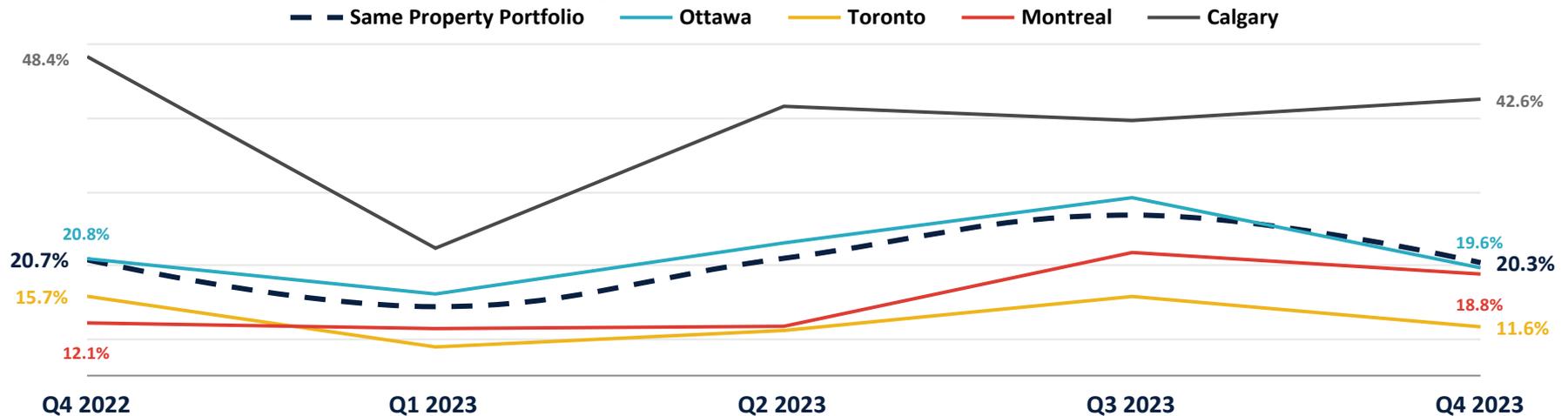
³ All data for occupied unfurnished suites. Excludes 178 furnished suites, 139 vacant suites, 49 suites leased for future occupancy and 37 suites offline for post move-out repairs and maintenance or repositioning.



Same Property Portfolio Unfurnished Suite Turnover

Same Property Portfolio annualized turnover of 20.3% was in-line with historical seasonal norms, unlike the first half of the year which was below historical seasonality.

Same Property Portfolio Annualized Turnover¹



- **Calgary** - Elevated turnover due to the availability of affordable homes and tenant departures arising from the loss of promotions granted in the past. SPP closing occupancy was 95.4%.
- **Ottawa** - Relatively stable turnover year over year, maintaining strong SPP closing occupancy of 98.2%.
- **Montreal** - Above seasonal norms as market rates are some of the most affordable of major urban centres. Maintained stable SPP closing occupancy of 95.6%.
- **Toronto** - Reduced turnover as market rents continued to increase and tenants opted to stay in place. Strong SPP closing occupancy of 97.7%.

¹ The number of move-outs for the period divided by total number of unfurnished suites in the portfolio. Annualized turnover extrapolates the quarterly turnover rate to determine an annual rate and as such it is not necessarily representative of a full year's turnover.



Furnished Suites Update

A decrease in occupancy was partially offset by an increase in AMR, leading to a slight decrease in furnished suite revenue of 1.7% vs Q4 2022

- Demand at Minto Yorkville in Toronto continues to recover from writers' and actors' strikes and Management expects demand to recover in the back half of 2024
- Government activity remains below historical norms in Ottawa impacting occupancy at Minto one80five
- Management completed four additional suite conversions in Q4 2023 bringing the total to 10 conversions for FY 2023

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Furnished Suites Operating Metrics					
Furnished suite inventory	188	188	183	182	178
Average monthly rent	\$4,848	\$4,872	\$5,512	\$6,250	\$5,912
Average occupancy	77.4%	68.6%	77.6%	67.5%	66.8%



Q4 2023 Operating Expense Detail

Operating expenses were favourable over Q4 2022, and on a normalized basis increased modestly, due to seasonal factors and easing natural gas rates compared to Q4 2022

(\$000s except %)	Same Property Portfolio ¹			Total Portfolio ²		
	Q4 2023	Q4 2022	Variance	Q4 2023	Q4 2022	Variance
Normalized property operating costs	\$ 6,734	\$ 6,607	(1.9)%	\$ 7,432	\$ 7,414	(0.2)%
Property taxes	3,842	3,520	(9.1)%	4,172	3,872	(7.7)%
Utilities						
Electricity	991	877	(13.0)%	1,181	1,120	(5.4)%
Natural gas	1,307	1,623	19.5%	1,442	1,767	18.4%
Water	773	754	(2.5)%	823	796	(3.4)%
	3,071	3,254	5.6%	3,446	3,683	6.4%
Normalized operating expenses	\$ 13,647	\$ 13,380	(2.0)%	\$ 15,050	\$ 14,969	(0.5)%

¹ The Same Property Portfolio represents 27 properties wholly and jointly-owned by the REIT for equivalent periods in 2023 and 2022.

² The Total Portfolio represents 29 (December 31, 2022 - 32) properties.

- Increased property operating costs driven by:
 - Salaries and wages increases;
 - Offset by lower repairs and maintenance costs driven by the mild winter.
- Property taxes increase driven by changes in assessed values in Montreal and increased rates in Ottawa and Toronto.
- Utilities cost decrease driven by a large drop in natural gas rates and a milder winter leading to decreased usage



Suite Repositioning in Q4 2023

The REIT repositioned 116 suites generating a 9.9% ROI in 2023

11
properties
with active
programs

18
suites¹
repositioned
and leased

\$83.6k
average cost
per suite

11.8%
average
unlevered return

40%
of program
completed

Fiscal Quarter	Suites Repositioned and Leased ¹	Average Cost per Suite	Average Annual Rental Increase per Suite	Average Unlevered Return
Q1 2023	32	\$67,789	\$6,970	10.3%
Q2 2023	33	\$69,853	\$6,565	9.4%
Q3 2023	33	\$73,476	\$6,441	8.8%
Q4 2023	18	\$83,559	\$9,886	11.8%
Total/Average	116	\$72,551	\$7,181	9.9%

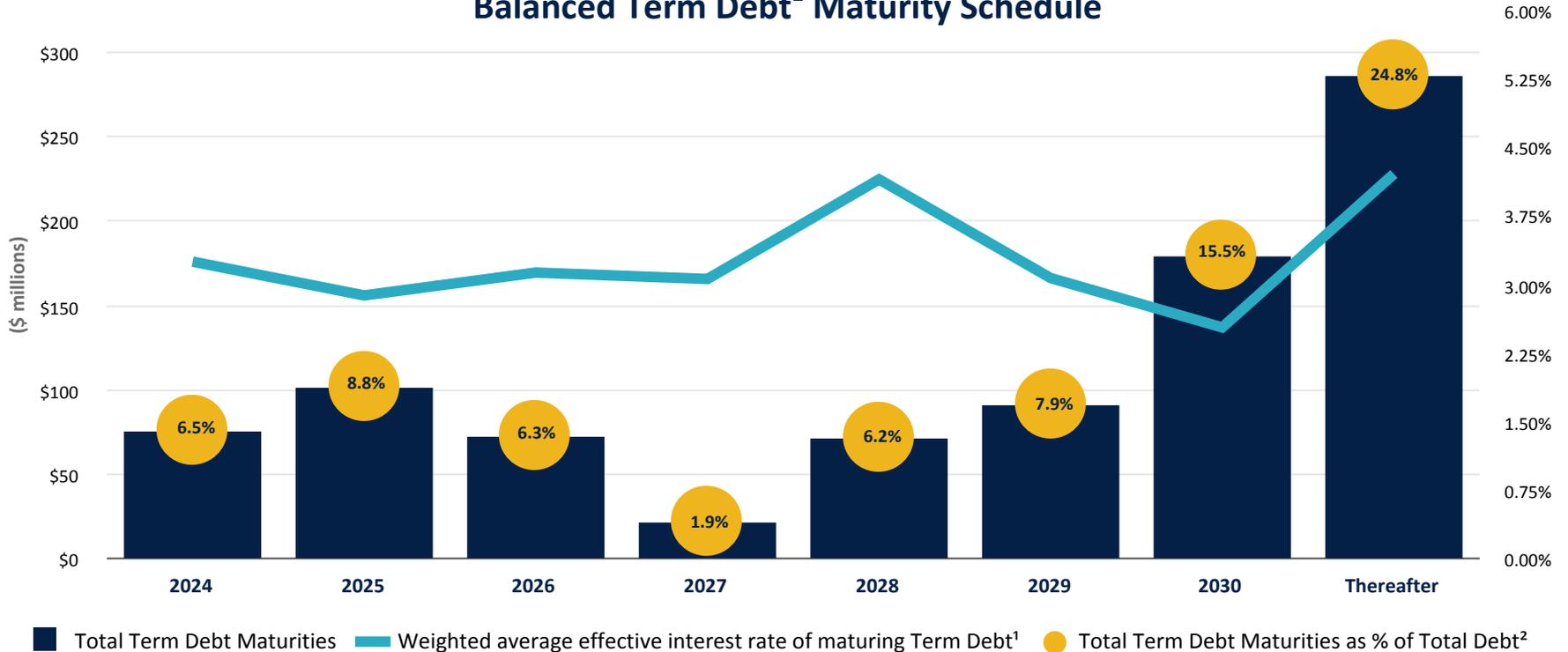
¹Suites repositioned presented at 100% rather than the REIT's proportionate share.

The REIT expects to reposition a total of 50 to 90 suites in 2024, a decrease from previous years due to limited vacancy, slower turnover, and the opportunity cost to take suites offline to complete a renovation.



Maintaining a Balanced Maturity Schedule

Balanced Term Debt¹ Maturity Schedule



5.84 yrs Weighted Avg. Term to Maturity of Term Debt ¹	3.39% Weighted Avg. Effective Interest Rate on Term Debt	75% of Total Debt is CMHC Insured	88% of Total Debt is Fixed Rate	42.8% Debt-to-Gross Book Value	\$98m Total Liquidity ³
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¹ Includes mortgages and Class C LP Units.

² Includes mortgages, Class C LP Units, the credit facility, and the construction loan.

³ Total liquidity includes cash on hand and availability on the credit facility.



Pipeline is Robust Despite Recent Disciplined Approach to Capital Allocation

<i>(in \$ millions, except suites)</i>	Ownership Interest ¹	Suite Potential		Construction Underway	Total CDL Commitment	Total CDL Advanced ²	Estimated Stabilization
		(100%)	(REIT Share)				
Development							
Richgrove TORONTO	100%	225	225	✓	N/A	N/A	Q2 2026
Leslie York Mills TORONTO	50%	192	96	✓	N/A	N/A	Q4 2026
Convertible Development Loans							
Fifth + Bank OTTAWA		<i>N/A - Purchase Option Terminated</i>			\$30.0	\$30.0 ³	
Lonsdale Square NORTH VANCOUVER	100%	113	113	✓	\$14.0	\$14.1	Q3 2024
The Hyland VANCOUVER	85%	108	92	✓	\$19.7	\$17.9	Q4 2024
88 Beechwood OTTAWA	100%	227	227	✓	\$51.4	\$43.5	Q1 2025
University Heights VICTORIA	45%	594	267	✓	\$51.7	\$27.0	Q4 2026
Total Development		1,459	1,020		\$166.8	\$132.5	
Pre-Development							
High Park Village TORONTO	40%	688	275	On Hold	N/A	N/A	N/A

¹ For Intensifications, the REIT's current ownership share; for CDLs, represents the REIT's potential ownership share.

² As at December 31, 2023; includes accrued interest reserve.

³ Subsequent to year end on January 31, 2023, MPI repaid the full outstanding balance of the Fifth + Bank CDL.



Status of Existing Development Pipeline - Ottawa and Toronto



Project Concept

CDL



REIT



Project Concept

REIT



Glazing and masonry installation and interior framing and finishing underway



Below-grade shoring and excavation work continues



Foundation work underway for above grade and parking level one

88 Beechwood
Ottawa
227 Suites
Estimated Q1 2025 Stabilization

Leslie York Mills
Toronto
192 Suites • 50% Ownership
Estimated Q4 2026 Stabilization

Richgrove
Toronto
225 Suites (100 Affordable)
Estimated Q2 2026 Stabilization



Status of Existing Development Pipeline - Vancouver and Victoria

Project Concept



CDL



Exterior insulation, flashing and cladding install ongoing. Interior rough work and finishing underway

Lonsdale Square
North Vancouver • 113 Suites
Estimated Q3 2024 Stabilization

Project Concept



CDL



Brick cladding continues and interior rough work is underway

The Hyland
Vancouver • 108 Suites
Estimated Q4 2024 Stabilization

Project Concept



CDL



Building 1 rough-ins, air barrier and window installation underway. Building 2 on-grade slab and scaffolding in progress.

University Heights
Victoria • 5 Towers • 594 Suites
Estimated Q4 2026 Stabilization



Outlook

- **Management believes that the robust fundamentals that have underpinned our sector will continue to support rental housing demand**
- **Balance sheet improvements provide flexibility heading into 2024, positioning the REIT to pivot from defence to offence under the right circumstances**
- **The REIT is well-positioned for long-term success and will be highly focused on the following:**
 - **Growing FFO per unit and AFFO per unit;**
 - **Exploring attractive refinancing opportunities;**
 - **Making disciplined capital allocation decisions;**
 - **Reducing the credit facility balance where possible; and**
 - **Critically assessing growth opportunities in our pipeline.**



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