



minto
Apartment REIT

**Q2 2023 Highlights
Teleconference**

August 9, 2023





Cautionary Statement

Non-Reliance

This presentation and our answers to questions do not purport to be comprehensive or to contain all the information that a recipient may need in order to evaluate an investment in securities of Minto Apartment Real Estate Investment Trust (the “REIT”). No representation or warranty, express or implied, is given and, so far as is permitted by law no responsibility or liability is accepted by any person, with respect to the accuracy or completeness of this presentation or its contents or our answers to questions.

Forward-Looking Statements

This presentation and our answers to questions contain statements that constitute forward-looking statements (within the meaning of applicable Canadian securities laws) relating to the business of the REIT. These statements are not historical facts, but instead represent the REIT’s expectations, beliefs, assumptions, estimates, forecasts and projections as of the date hereof. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Although such forward-looking statements are based upon assumptions that management believes are reasonable as of the date hereof, there can be no assurance that those forward-looking statements will prove to be accurate and actual outcomes and results may differ materially from those expressed or implied in these forward-looking statements. The REIT’s expectations, beliefs, assumptions, estimates, forecasts and projections, include, but are not limited to, the REIT’s future growth potential, results of operations, future prospects and opportunities, demographic and industry trends, no change in legislation or regulatory environment, future levels of indebtedness, current tax laws, the continuing availability of capital, and current economic conditions. These risks and uncertainties are more fully described in the REIT’s regulatory filings, including the REIT’s most recent Annual Information Form (“AIF”) and its most recent Management’s Discussion and Analysis of the results of operations and financial condition (“MD&A”), all of which can be obtained on SEDAR+ at www.sedarplus.ca. Investors should not place undue reliance on any such forward-looking statements. Certain statements contained in this presentation may be considered “financial outlook” for purposes of Canadian securities laws and as such, the financial outlook may not be appropriate for purposes other than this presentation. Subject to applicable law, the REIT does not undertake any obligation to update or revise any forward-looking statements. For further details on forward-looking statements, see the section entitled “Forward-Looking Statements” in the most recent MD&A.

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”), net operating income (“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”.



Q2 2023 Highlights

Strong Operational Performance

- Same Property Portfolio¹ average monthly rent for unfurnished suites grew 6.3% to \$1,785 over Q2 2022
- Achieved gain-on-lease of 16.2% on new leases and gain-to-lease potential increased to 16.1% from 15.3% at Q1 2023
- Same Property Portfolio NOI increased 11.8% and Same Property Portfolio NOI margin grew by 140 bps to 62.8% over Q2 2022
- Favourable natural gas variance of 16.3% for the Same Property Portfolio
- Same Property Portfolio annualized turnover² was 20.2% compared to 25.0% in Q2 2022

Refinanced seven mortgages with new, long-term CMHC-insured fixed-rate mortgages

- Reduced variable rate debt exposure from 26% to 11%, a reduction of \$165.9 million
- Generated \$73.8 million of incremental net proceeds used to pay down the credit facility

Achieved positive normalized FFO and AFFO per unit growth

- Initiatives to reduce variable rate debt beginning to positively impact cash flow per unit
- Announced initiatives only partially impacted Q2 2023, with the full impact to be realized in Q3 2023 and beyond
- Other initiatives continue to be explored, including 2024 mortgage maturities with upfinancing potential and capital recycling opportunities
- Long-term financing rates continue to be attractive relative to short-term rates

Management continues to prioritize FFO and AFFO per unit growth and remains disciplined in its capital allocation decisions

¹ The Same Property Portfolio represents 29 properties wholly and jointly-owned by the REIT for equivalent periods in 2023 and 2022.

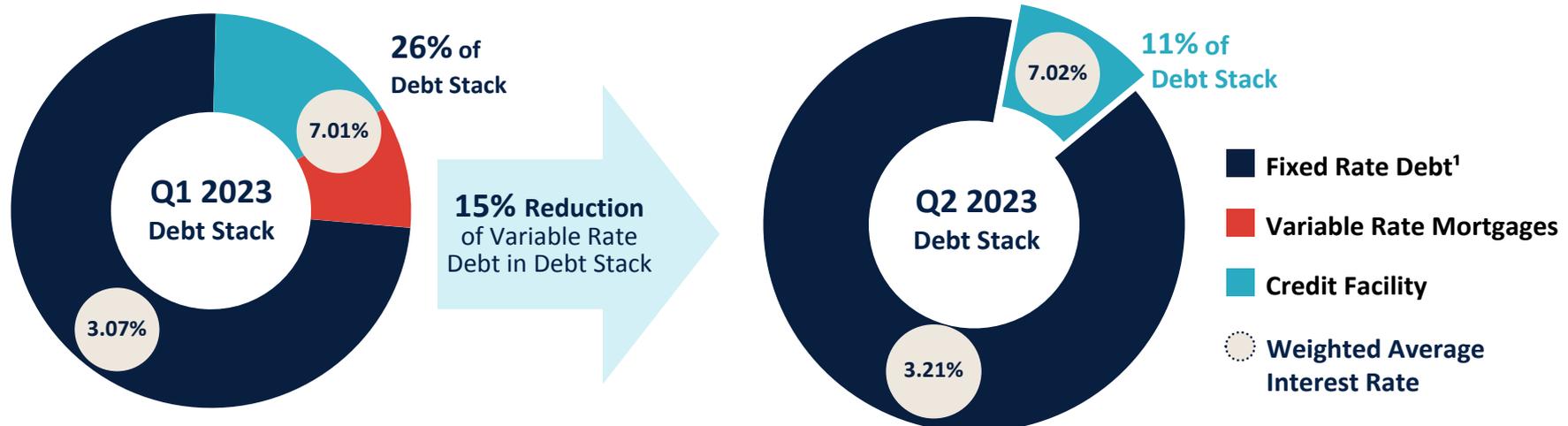
² Annualized turnover is calculated as the number of move-outs for the period divided by total number of unfurnished suites in the portfolio. This percentage is extrapolated to determine an annual rate and as such it is not necessarily representative of a full year's turnover.



Debt Refinancing Initiatives Have Been Accretive

- In Q2 2023, the REIT refinanced seven mortgages: two variable rate mortgages and five fixed rate mortgages
 - **Realized interest rate spread savings of over 350bps** on the two variable rate refinancings
 - **Reduced variable rate debt as a percent of total debt** from 26% to 11%, a reduction of \$165.9 million
 - **Generated \$73.8 million of incremental debt proceeds** used to repay the credit facility
- Subsequent to Q2 2023, the REIT refinanced Fixed Rate Debt¹ secured by an Ottawa property, generating \$24.2 million of incremental debt proceeds that were used to further repay the credit facility
- In addition, the REIT is exploring upward refinancing of three properties with mortgages maturing in early 2024 that have potential to generate between \$55 million and \$65 million of incremental proceeds.

<i>(in \$ millions)</i>	Funding Month	Previous Financing	New CMHC-Insured Financing ²	Financing Benefits
Variable Rate Mortgages	April & June	\$108.4	\$113.4	+350bps interest savings and reduction of variable rate debt
Maturing CMHC-Insured Mortgages	Late May	\$137.4	\$218.6	\$73.8m credit facility pay down
		\$245.8	\$332.0	



¹ Fixed Rate Debt includes fixed rate mortgages, a variable rate mortgage fixed through an interest rate swap, Class C LP Units, and a construction loan.

² The REIT completed interest rate prepayments for several mortgage refinancings totalling \$1.8 million which is excluded from stated interest rates.



Disciplined Capital Allocation

Access to equity capital remains constrained and the cost of short-term debt remains elevated, therefore the REIT remains disciplined with its capital allocation, and made the following strategic decisions in Q2 2023:

- Agreed to **terminate its purchase option for Fifth + Bank** in Ottawa on June 7, 2023.
- **Waived its Right of First Offer for three development opportunities** located in the Oakridge neighbourhood in Vancouver, Mississauga in Toronto and Danforth Village in Toronto, presented by Minto Properties Inc.
 - These are in addition to the waiver of four other opportunities located in Toronto and Vancouver between Q3 2022 and Q1 2023.
- **Postponed the construction start of the High Park Village intensification**, originally scheduled for Q2 2024, with the following rationale:
 - Management is exercising discipline considering the future capital requirements of existing developments and convertible development loan ("CDL") commitments
 - Defers approximately \$75 million of future equity requirements related to the REIT's portion of the intensification project, which likely would be funded on its credit facility
 - Retain optionality to restart the intensification project when capital market conditions, access to capital and cost of capital are more favourable
 - The intensification project remains an attractive investment opportunity and the REIT and its partner will continue to work through the pre-development phase to ensure that construction can commence expediently, if and when it is strategically appropriate



Q2 2023 Key Operating Results

Revenue growth outpaced operating expenses. Reducing variable rate debt positively impacted AFFO per unit at the end of Q2 2023 with full impact to affect future quarters

(\$000s except %, suite, per suite and per unit amounts)	Same Property Portfolio ¹			Total Portfolio ²		
	Q2 2023	Q2 2022	Variance	Q2 2023	Q2 2022	Variance
Revenue	\$36,726	\$33,589	9.3%	\$39,401	\$35,510	11.0%
Operating expenses	\$13,658	\$12,961	(5.4)%	\$14,829	\$13,671	(8.5)%
NOI	\$23,068	\$20,628	11.8%	\$24,572	\$21,839	12.5%
NOI margin (%)	62.8%	61.4%	140 bps	62.4%	61.5%	90 bps
General and administrative expenses				\$2,857	\$2,514	(13.6)%
Interest costs ³				\$10,710	\$7,512	(42.6)%
FFO				\$11,925	\$13,680	(12.8)%
FFO (\$/unit)				\$0.1817	\$0.2100	(13.5)%
AFFO				\$10,188	\$11,983	(15.0)%
AFFO (\$/unit)				\$0.1552	\$0.1840	(15.7)%
Distributions declared (\$/unit)				\$0.1225	\$0.1187	\$0.0038
AFFO payout ratio				78.9%	65.2%	(1,370 bps)
Normalized FFO ⁴				\$13,946	\$13,680	1.9%
Normalized FFO (\$/unit) ⁴				\$0.2125	\$0.2100	1.2%
Normalized AFFO ⁴				\$12,209	\$11,983	1.9%
Normalized AFFO (\$/unit) ⁴				\$0.1860	\$0.1840	1.1%
Normalized AFFO payout ratio				65.9%	65.2%	(70 bps)
Total suites ⁵	7,474	7,474	—	8,227	8,291	(64)
Average monthly rent per occupied suite ⁶	\$1,785	\$1,680	6.3%	\$1,801	\$1,690	6.6%
Average occupancy ⁷	97.0%	94.7%	230 bps	97.0%	94.7%	230 bps

¹ The Same Property Portfolio represents 29 properties wholly and jointly-owned by the REIT for equivalent periods in 2023 and 2022.

² The Total Portfolio represents 31 (June 30, 2022 - 32) properties.

³ Calculated as the sum of financing costs incurred on fixed and variable rate mortgages, credit facility, and Class C LP Units and excludes debt retirement costs.

⁴ Excludes the impact of nonrecurring items not indicative of the REIT's typical operations.

⁵ 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.

⁶ Excludes 183 furnished suites, 91 vacant suites, 104 suites leased for future occupancy and 25 suites offline for post move-out repairs and maintenance or repositioning.

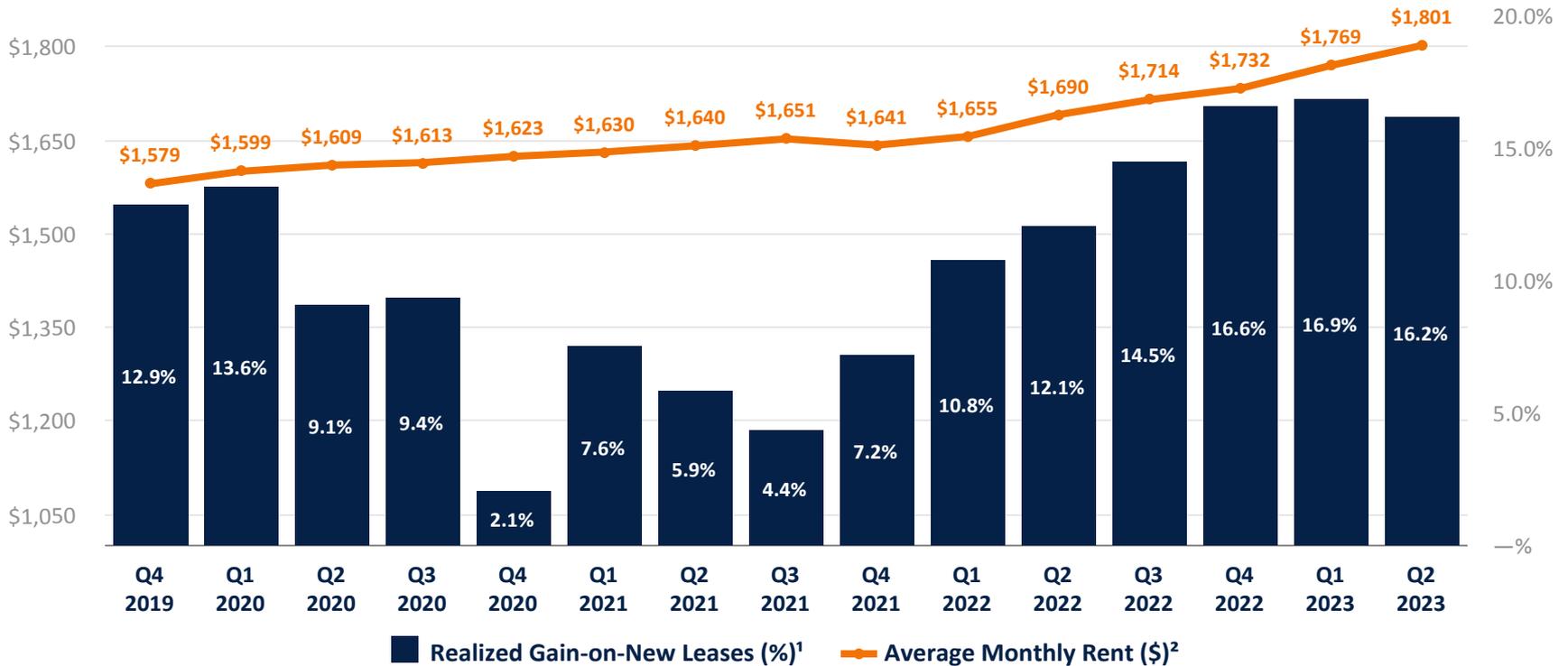
⁷ Occupancy for unfurnished suites.



AMR and Gain-on-Lease Over Time

Stable gain-on-lease achieved in Q2 2023 and average monthly rent continued to grow

Realized Leasing Gains and Average Monthly Rent



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

Strong market conditions drove realized gain-on-lease to 16.2% with gain-to-lease potential increasing to 16.1%

Gain-on-Lease Realized in Q2 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	102	\$2,406	\$2,806	16.6%	\$219
Ottawa	205	\$1,737	\$2,015	16.0%	\$677
Alberta	83	\$1,481	\$1,737	17.3%	\$257
Montreal	105	\$1,828	\$2,102	15.0%	\$222
Total/Average	495	\$1,778	\$2,066	16.2%	\$1,375

Gain-to-Lease Potential on existing rents as at June 30, 2023

Geographic Node	Total Suites ³	Current Average Monthly Rent	Management's Estimate of Average Monthly Rent	Percentage Gain-to-Lease Potential	Annualized Estimated Gain-to-Lease Potential ² (\$000s)
Toronto	2,353	\$2,129	\$2,500	17.4%	\$6,061
Ottawa	2,924	\$1,678	\$1,980	18.0%	\$10,578
Alberta	837	\$1,556	\$1,756	12.9%	\$2,010
Montreal	1,710	\$1,895	\$2,130	12.4%	\$3,455
Total/Average	7,824	\$1,801	\$2,091	16.1%	\$22,104

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.

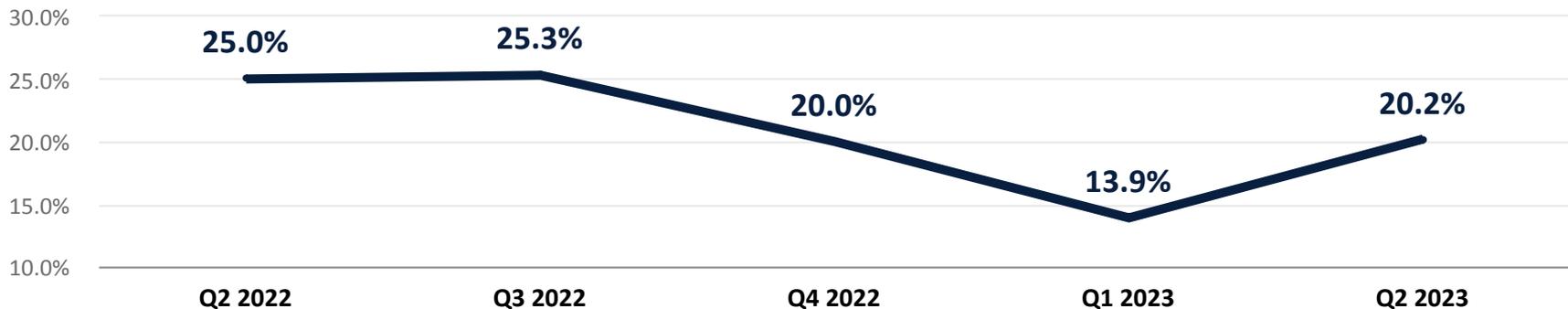
³ All data for occupied unfurnished suites. Excludes 183 furnished suites, 91 vacant suites, 104 suites leased for future occupancy and 25 suites offline for post move-out repairs and maintenance or repositioning.



Same Property Portfolio Unfurnished Turnover and Occupancy

Turnover increased sequentially in Q2 2023 since it is a typically stronger leasing season, but was still below seasonal norms due to market conditions keeping tenants in place

Same Property Portfolio Annualized Turnover¹



Same Property Portfolio Average Occupancy² by Quarter



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.

² Average occupancy for unfurnished suites.



Q2 2023 Operating Expense Detail

Natural gas costs eased from their highs in 2022, while staffing expenses and other utilities increased over Q2 2022

(\$000s except %)	Same Property Portfolio ¹			Total Portfolio ²		
	Q2 2023	Q2 2022	Variance	Q2 2023	Q2 2022	Variance
Property operating costs	\$ 7,491	\$ 6,876	(8.9)%	\$ 8,051	\$ 7,260	(10.9)%
Property taxes	3,615	3,503	(3.2)%	3,917	3,709	(5.6)%
Utilities						
Electricity	1,040	977	(6.4)%	1,290	1,045	(23.4)%
Natural gas	706	843	16.3%	731	869	15.9%
Water	806	762	(5.8)%	840	788	(6.6)%
	2,552	2,582	1.2%	2,861	2,702	(5.9)%
Operating expenses	\$ 13,658	\$ 12,961	(5.4)%	\$ 14,829	\$ 13,671	(8.5)%

¹ The Same Property Portfolio represents 29 properties wholly and jointly-owned by the REIT for equivalent periods in 2023 and 2022.

² The Total Portfolio represents 31 (June 30, 2022 - 32) properties.

- Higher salaries and wages from a tight labour market, along with severance costs, contributed to increased Same Property Portfolio property operating expenses
- Higher electricity and water expenses were driven by rate increases, coupled with strong occupancy increasing consumption
- A 10% drop in average gas rates, in addition to lower consumption from a warm spring, resulted in a favourable decrease to natural gas expense



Suite Repositioning in Q2 2023

33 suites repositioned in Q2 generating a 9.4% ROI

11
properties
with active
programs

33
suites¹
repositioned
and leased

\$69.9k
average cost
per suite

9.4%
average
unlevered return

38%
of program
completed

Fiscal Quarter	Suites Repositioned and Leased ¹	Average Cost per Suite	Average Annual Rental Increase per Suite	Average Unlevered Return
Q3 2022	75	\$54,628	\$5,150	9.4%
Q4 2022	41	60,863	6,050	11.3%
Q1 2023	32	67,789	6,970	10.3%
Q2 2023	33	69,853	6,565	9.4%
Total/Average	181	\$61,275	\$5,950	9.7%

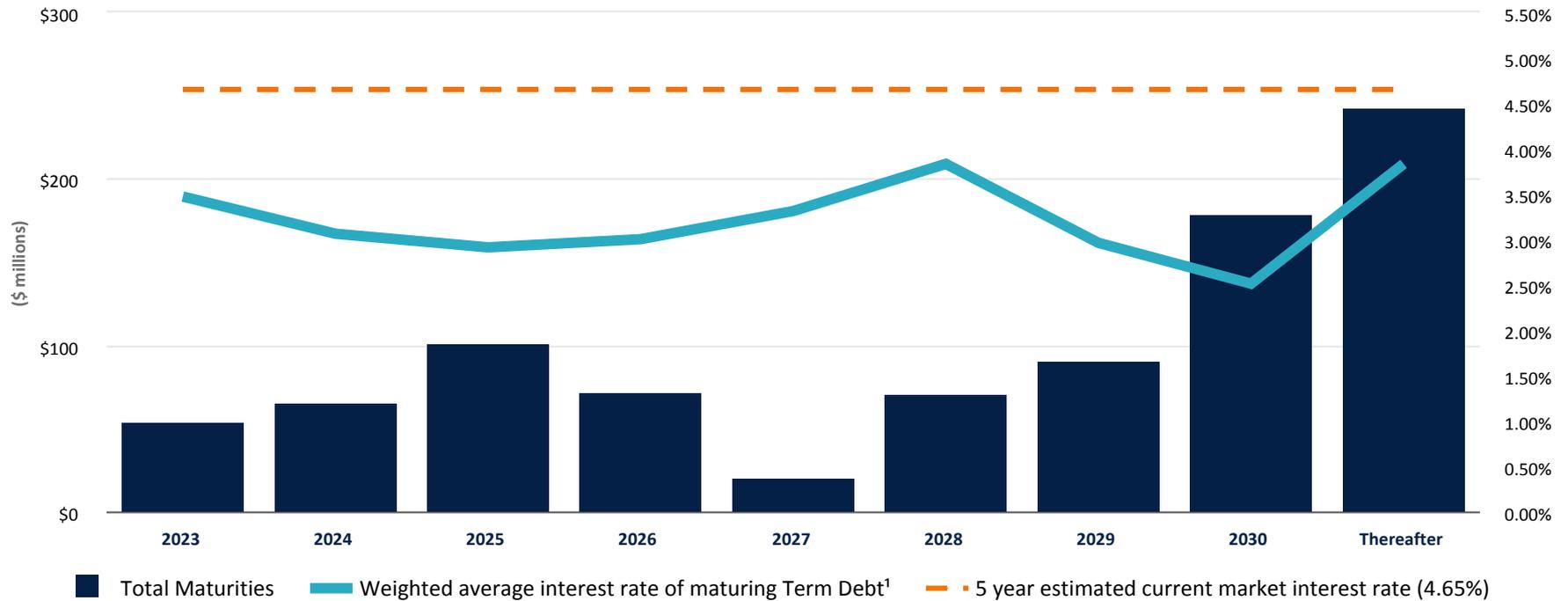
The REIT expects to reposition 80 to 120 suites in 2023, a decrease from 2022 due to reduced turnover.

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



Maintaining a Balanced Maturity Schedule

Balanced Term Debt¹ Maturity Schedule



5.87 yrs Weighted Avg. Term to Maturity of Term Debt ¹	3.21% Weighted Avg. Interest Rate on Term Debt ¹	7.02% Weighted Avg. Interest Rate on Credit Facility	3.61% Weighted Avg. Interest Rate on Total Debt ²	76% of Debt is CMHC Insured	89% of Debt is Fixed Rate	42.2% Debt-to-GBV	\$163m Total Liquidity ³
---	---	--	--	---------------------------------------	-------------------------------------	-----------------------------	---

¹ Includes mortgages and Class C LP Units.

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

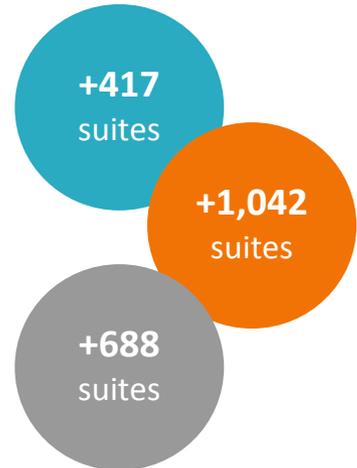
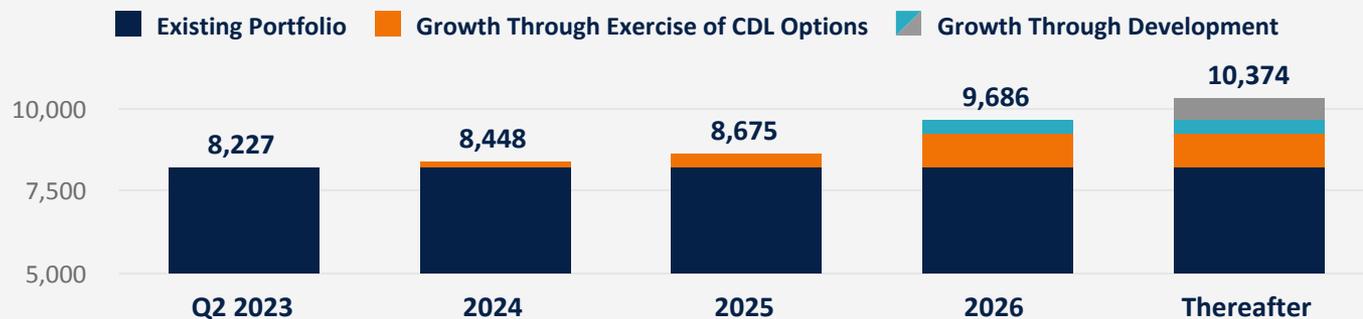
³ Total liquidity includes cash on hand and availability on the credit facility.



Eight Projects are Actively in Pre-Development, Under Construction or Stabilized

<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	Q3 2026
Convertible Development Loans							
Fifth + Bank OTTAWA		<i>N/A - Purchase Option Terminated</i>			\$30.0	\$30.0	
Lonsdale Square NORTH VANCOUVER	100%	113	113	✓	\$14.0	\$14.0	Q3 2024
810 Kingsway VANCOUVER	85%	108	92	✓	\$19.7	\$17.4	Q4 2024
Beechwood OTTAWA	100%	227	227	✓	\$51.4	\$32.9	Q1 2025
University Heights VICTORIA	45%	594	267	✓	\$51.7	\$14.3	Q4 2026
Total Development		1,459	1,020		\$166.8	\$108.6	
Pre-Development							
High Park Village TORONTO	40%	688	275		N/A	N/A	N/A

Potential Suite Growth in the REIT Portfolio^{3,4}



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

² As at June 30, 2023; includes accrued interest reserve.

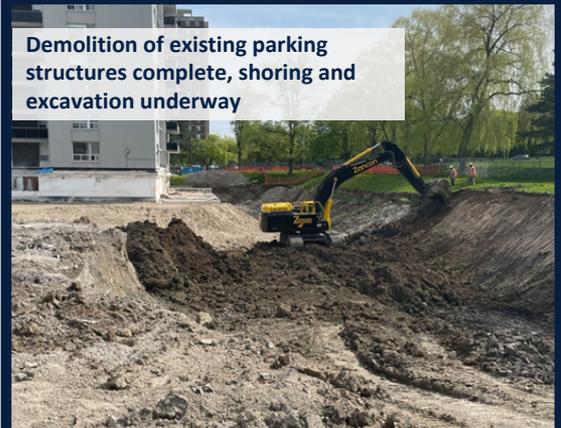
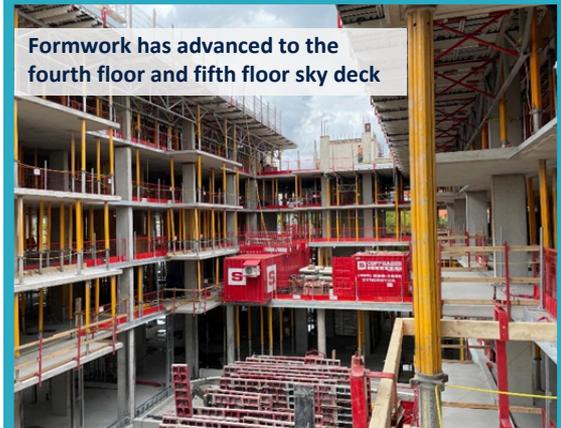
³ Suite counts are presented on a gross basis.

⁴ Assumes (i) exercise of option to purchase Lonsdale Square, and Beechwood, (ii) exercise of option to purchase MPI's interest in 810 Kingsway and University Heights, and (iii) municipal and partner approval for High Park Village intensification. On June 7, 2023, the REIT waived on its Fifth + Bank purchase option.



Status of Existing Development Pipeline - Ottawa and Toronto

CDL



Beechwood
Ottawa
227 Suites
Estimated Q1 2025 Stabilization

Leslie York Mills
Toronto
192 Suites • 50% Ownership
Estimated Q3 2026 Stabilization

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



Status of Existing Development Pipeline - Vancouver and Victoria



Project Concept

CDL



Project Concept

CDL



Project Concept

CDL



Interior rough work and finishings in progress; exterior insulation underway



Construction has reached the fourth floor; window installation underway



Construction of building two commenced, with shoring underway

Lonsdale Square
North Vancouver • 113 Suites
Estimated Q3 2024 Stabilization

810 Kingsway
Vancouver • 108 Suites
Estimated Q4 2024 Stabilization

University Heights
Victoria • 594 Suites
Estimated Q4 2026 Stabilization



Outlook

- **Management believes that the key sector fundamentals that have underpinned our recent strong performance will continue to support strong operating results:**
 - **Housing affordability issues from high interest rates, expansive immigration policy, and inelastic housing supply will continue to be tailwinds for our sector which combined with a growing percentage of renters versus homeowners in Canada, will help drive rental demand in our portfolio**
- **The REIT is well-positioned for long-term success and will be highly focused on the following:**
 - **Maximizing FFO and AFFO per unit**
 - **Strategic and disciplined allocation of capital**
 - **Minimizing our credit facility balance given the current high interest rate environment**
 - **Exploring alternatives to fund growth while minimizing any dilution to FFO and AFFO per unit**



minto
Apartment REIT

mintoapartmentreit.com

info@mintoapartmentreit.com