



Consolidating Canada's Automotive Dealership Properties

Investor Presentation



May 2021



FORWARD-LOOKING STATEMENTS

Certain statements contained in this presentation constitute forward-looking information within the meaning of applicable securities legislation. Forward-looking information may relate to the REIT's future outlook and anticipated events or results and may include statements regarding the financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes, plans and objectives of or involving the REIT. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for the REIT or the real estate or automotive dealership industry are forward-looking statements. The REIT has based these forward-looking statements on factors and assumptions about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs, including that the Canadian economy will remain stable over the next 12 months, that tax laws remain unchanged, that conditions within the automotive dealership real estate industry and the automotive dealership industry generally, including competition for acquisitions, will be consistent with the current climate, that the Canadian capital markets will provide the REIT with access to equity and/or debt at reasonable rates when required and that the Dilawri Organization will continue its involvement with the REIT. Although the forward-looking statements contained in this presentation are based upon assumptions that management believes are reasonable based on information currently available to management, there can be no assurance that actual results will be consistent with these forward-looking statements. Forward-looking statements necessarily involve known and unknown risks and uncertainties, many of which are beyond the REIT's control, that may cause the REIT's or the industry's actual results, performance, achievements, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. The forward-looking statements made in this presentation relate only to events or information as of the date of this presentation. Except as required by law, the REIT and Dilawri undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. Please refer to "Forward-Looking Statements" in the REIT's regulatory filings.

NON-IFRS MEASURES

This presentation makes reference to certain non-IFRS measures. Funds from operations ("FFO"), adjusted funds from operations ("AFFO"), net operating income ("NOI"), cash net operating income ("Cash NOI") and Same Property cash operating income ("Same Property Cash NOI") are key measures of performance used by management and real estate businesses. However, such measures are not defined by IFRS and do not have standardized meanings prescribed by IFRS. The REIT believes that AFFO is a key measure of economic earnings performance and is indicative of the REIT's ability to pay distributions from earnings, while FFO, NOI and Cash NOI are important measures of operating performance and the performance of real estate properties. The IFRS measurement most directly comparable to FFO, AFFO, NOI and Cash NOI is net income. Please refer to "Non-IFRS Measures" in the REIT's regulatory filings.

Capital Market Profile (TSX: APR.UN)



Recent price: **\$12.49**¹

Market capitalization:
\$612 million¹

REIT Units: **39.1** million
Class B Units: **9.93** million

Investment properties:
\$961 million²
Total return:
IPO to May 20, 2021: **71%**

Annualized distribution

\$0.804 / unit

Yield ¹

~ **6.4%**

Debt to GBV ²

41.7%

TTM AFFO Payout Ratio

93.4%

2020 tax treatment

66% Return of Capital

34% Interest income

Analyst coverage



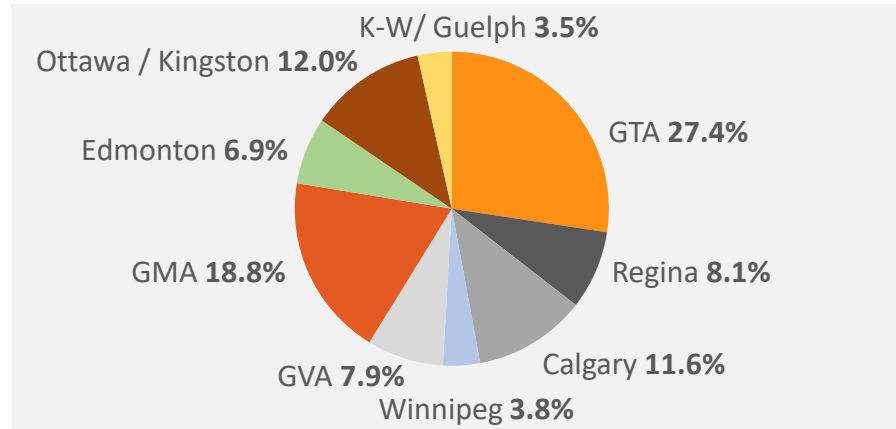
(1) As at May 20, 2021 (market capitalization includes Class B Units)

(2) As at Mar. 31, 2021

High-quality portfolio of dealership properties in metropolitan markets across Canada



Audi Queensway (GTA)



GLA by metro (Mar. 31, 2021)



Porsche Vancouver (GVA)

Long-term, triple-net leases with contractual annual rent escalators
Representing 32 global manufacturers / brands



66

income-producing properties

200 + acres

of commercially-zoned urban real estate

2.5 million

square feet of Gross Leasable Area ("GLA")

> 80%

exposure to VECTOM markets

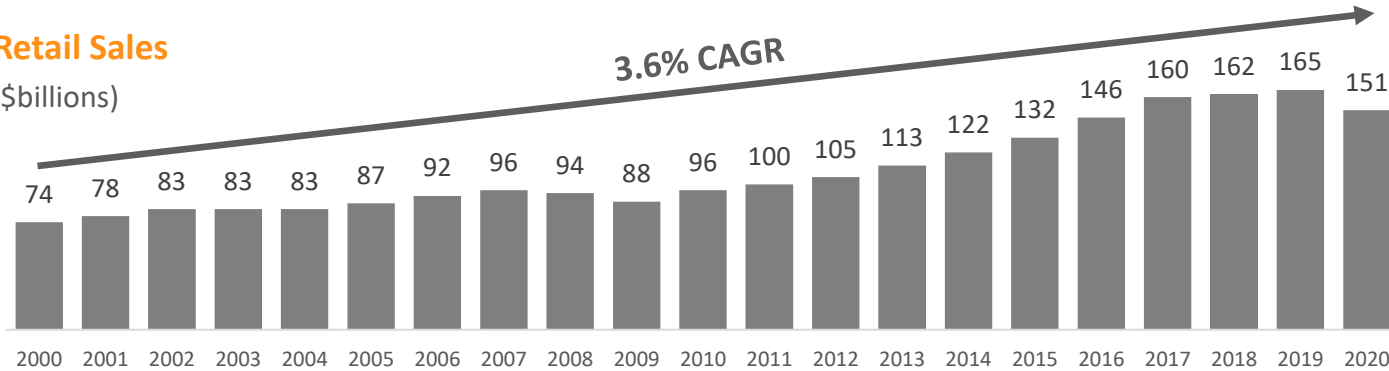
CANADA'S ONLY PUBLIC VEHICLE CONSOLIDATING AUTOMOTIVE DEALERSHIP PROPERTIES

Canadian Automotive Dealership Industry¹



Retail Sales

(\$billions)



25%

Auto industry's proportion of Canada's overall retail sales of products and merchandise in 2020

Automotive dealership retail sales include 4 revenue / profit centres

- 1 Parts, service and repair
- 2 Finance and Insurance
- 3 New vehicle sales
- 4 Used vehicle sales

New vehicle unit sales in Canada in 2020

1.57 Million

~20% decline from 1.96M unit sales in 2019 due to pandemic

Sales recovery in second half of 2020 and into 2021

2016 - 2019

Represent the four highest years on record for new vehicle unit sales

(1) Source: Statistics Canada

THE AUTOMOTIVE RETAIL SALES INDUSTRY IS CANADA'S LARGEST RETAIL SEGMENT

Strong Lead Tenants



- 76 automotive dealerships, representing ~30 brands
- Presence in QC, ON, SK, AB, BC
- REIT has the first right to acquire from Dilawri development and acquisition pipeline



- 46 automotive dealerships, representing ~20 brands
- Presence in ON, AB, BC, NWT



- 66 automotive dealerships, representing ~27 brands
- Presence in NS, NB, QC, ON, MB, SK, AB, BC and United States
- TSX: ACQ



- 17 automotive dealerships, representing ~15 brands
- Presence in ON, BC



- 11 automotive dealerships, representing 10 brands
- Presence in ON



- 9 automotive dealerships, representing 6 brands
- Located in Greater Toronto Area

Impact on Dealerships

- Dealerships were closed, or operating on a limited basis across Canada from mid-March to late May 2020
- Dealerships fully open as of the end of May 2020
- ~20% decline in new vehicle sales in 2020, but with a strong recovery in vehicle sales and service since June 2020
- Dealership businesses have benefitted from CEWS program, providing improved stability and road to profitability
- 2020 supply chain disruptions resulted in reduced inventories and enhanced dealer profit margins
- Dealerships reduced SG&A expenses, enhanced their e-commerce platforms and provided curbside delivery and drop-off service

(1) As at Mar. 31, 2021

Impact on the REIT

- Temporary shift away from acquisition focus towards capital preservation with ability to take advantage of expected acceleration in consolidation opportunities as the pandemic is brought under control
- Strong liquidity position¹ with: Debt to GBV of 41.7%, \$56.9 million of undrawn credit facilities, \$0.3 million of cash on hand and 10 unencumbered properties valued at \$166.8 million
- APR collected 100% of its Q1 2021 contractual base rent due under its leases and the payments due subject to rent deferral agreements with tenants; the remaining tenant deferral rent receivable was just \$1.3 million at the end of the quarter
- Cap rate for overall portfolio was 6.6% as at Mar. 31, 2021, down from 6.7% as at Dec. 31, 2020, primarily due to the resilience demonstrated by the REIT's tenants' business. The capitalization rate has returned to pre-pandemic levels

MANAGEMENT CONTINUES TO CLOSELY MONITOR THE IMPACT OF THE COVID-19 PANDEMIC

- 34.5%

Canadian new car sales for the first half of 2020, compared to the first half of 2019 ¹

- 4.7%

Canadian new car sales for the second half of 2020, compared to the second half of 2019 ¹

+ 15.2%

Canadian new car sales for the first quarter of 2021, compared to the first quarter of 2020 ¹

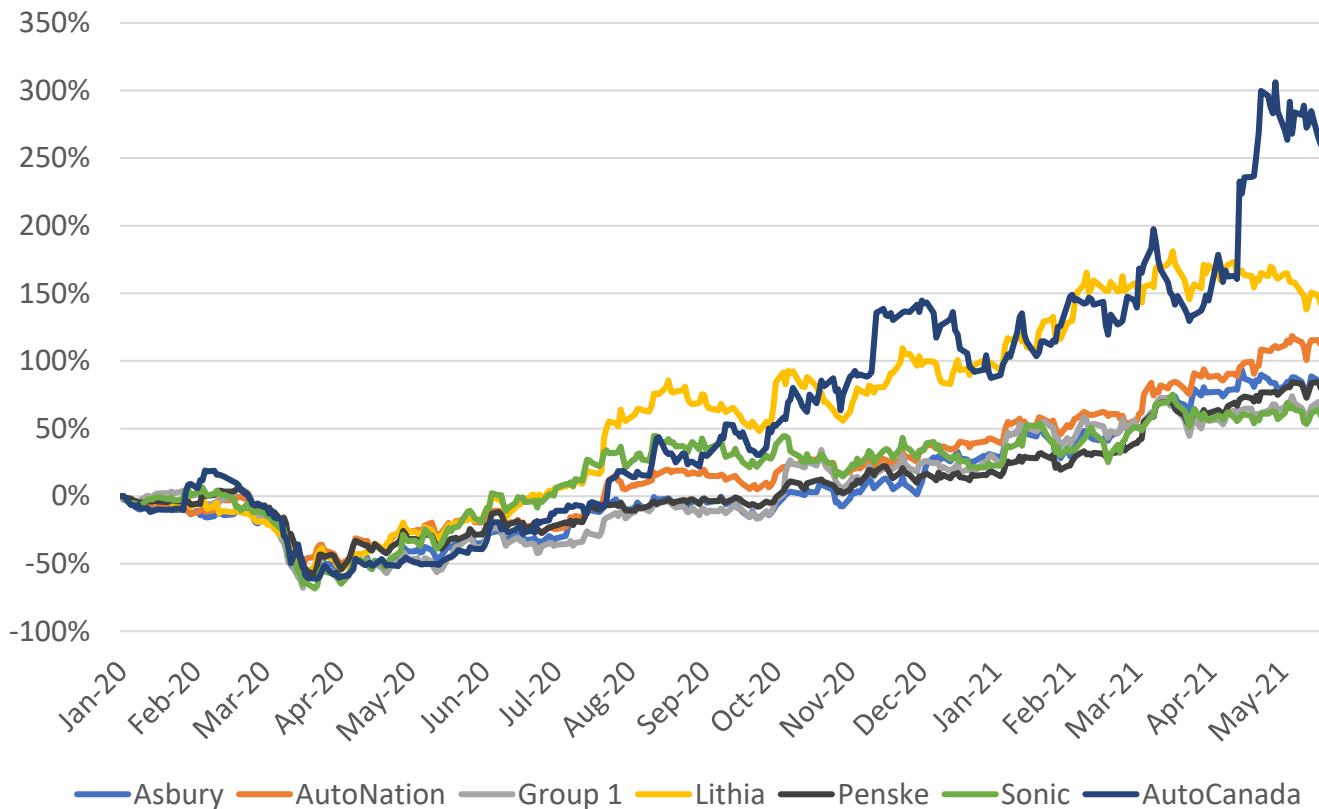
(1) Source: Statistics Canada

IMPROVING SALES AND SERVICE LEVELS HAVE RESULTED IN NO NEW REQUESTS FOR RENT DEFERRALS FROM APR'S TENANTS

Strong Auto Dealership Performance



Stock Performance (January 2020 to YTD 2021)¹



- Sales have rebounded from lows in spring of 2020
- Many dealers generating record earnings
 - Rapid cost reduction achieved due to high variable cost component
- Profit margins per unit sold being enhanced through:
 - Technological improvements / enhanced e-commerce offerings and curbside pick-up for sales & service
 - Reduced headcounts
 - Lower SG&A costs

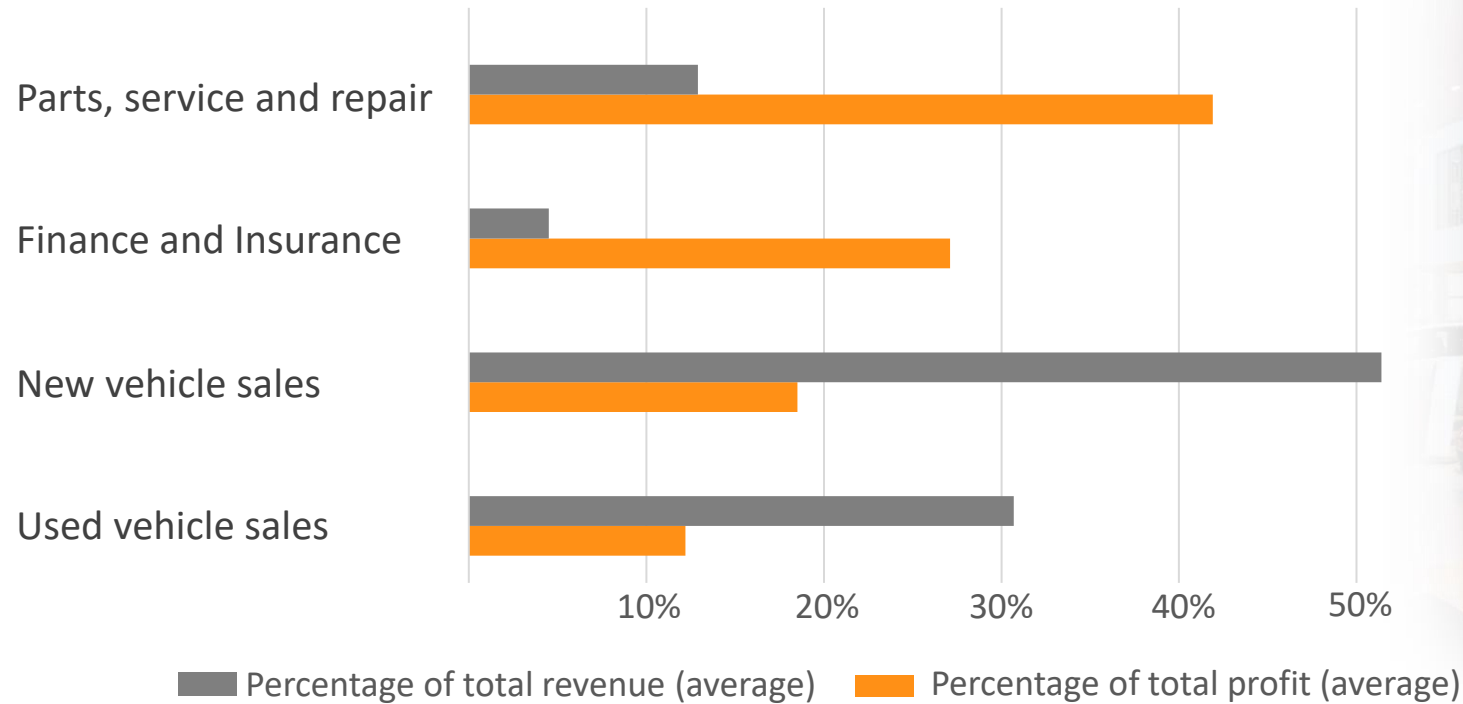
(1) As at May 18, 2021

THE AUTOMOTIVE DEALERSHIP INDUSTRY IS HIGHLY RESILIENT AND HAS RESPONDED EFFECTIVELY TO THE DISRUPTION CREATED BY THE COVID-19 PANDEMIC

Automotive Dealership Group Profit Centres



Average revenue / profit % contribution per business segment for major North American automotive dealership groups¹



(1) Chart data is derived from the public disclosure of Asbury Automotive, AutoCanada, AutoNation, Group 1 Automotive, Lithia, Penske Automotive and Sonic Automotive. The data reflects the average revenue and profit contributions from 2019 and 2020

> 80% OF PROFITS ARE GENERATED FROM REVENUE SOURCES OTHER THAN NEW CAR SALES

Base rent collected & limited rent deferral agreements

100%

Q1 2021 base rent collected under tenant leases, and the payments due subject to rent deferral agreements

97%

Base rent collected for 2020, with remaining amounts subject to deferral agreements

Temporary support for our tenants with no impact to distribution policy

Remaining tenant deferral rent receivable of just ~\$1.3 million as at March 31, 2021

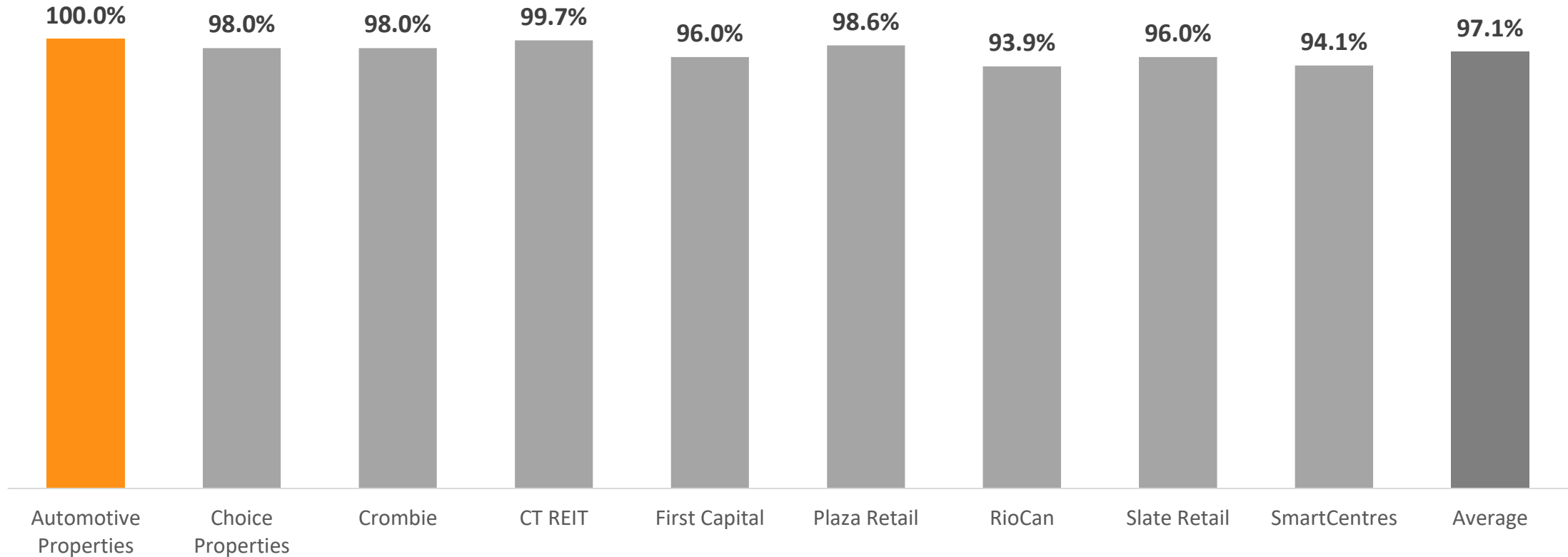


APR HAS WORKED WITH ITS TENANT PARTNERS TO PROVIDE SUPPORT DURING PANDEMIC-RELATED ECONOMIC DISRUPTION

Strong Rent Collection



Peer Rent Collection for Q1 2021



Source: Company filings

APR IS A TOP PERFORMER AMONG ALL REAL ESTATE SUB-ASSET CLASSES IN RENT COLLECTION



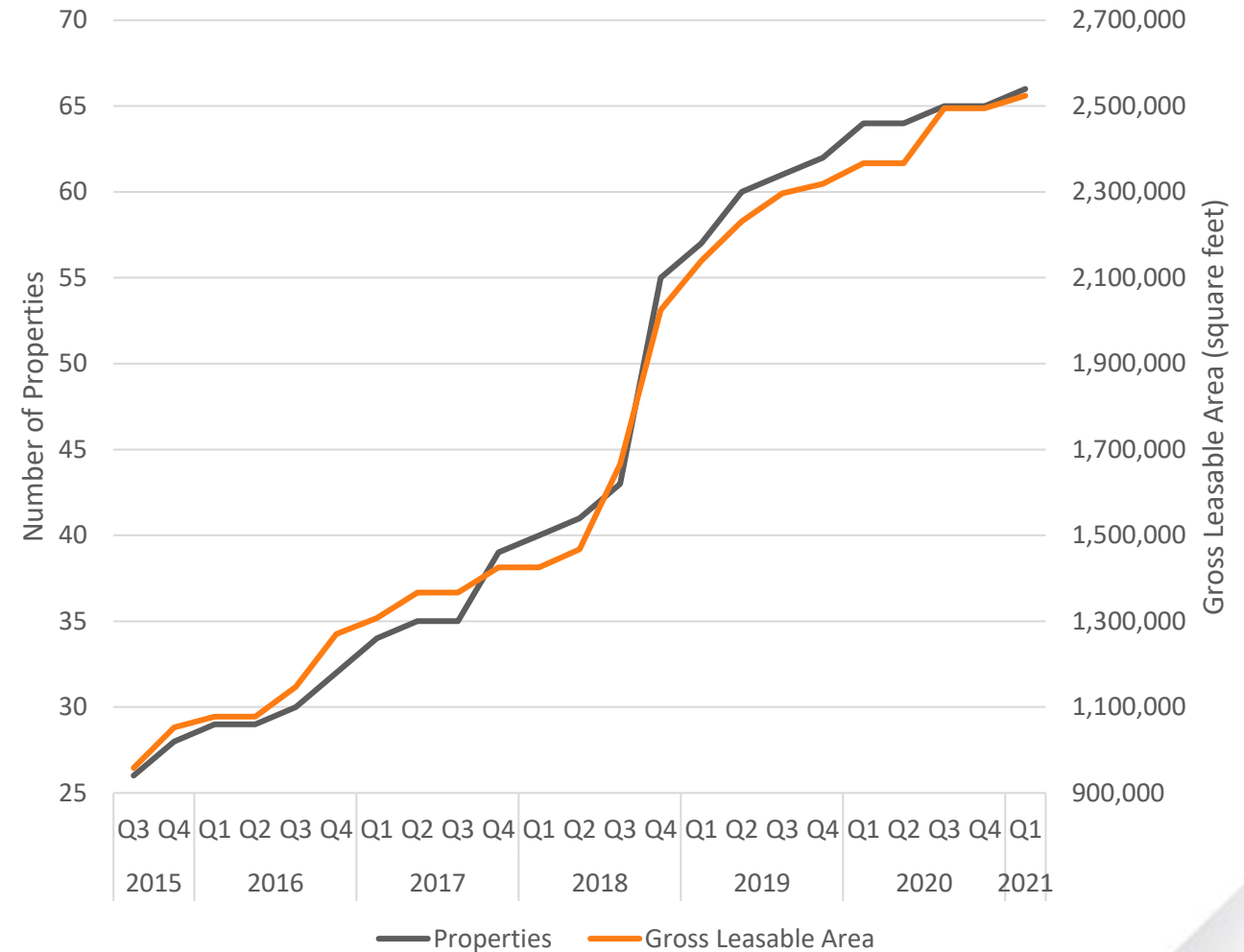
Growth



Acquisition Growth (July 2015 IPO to Present)



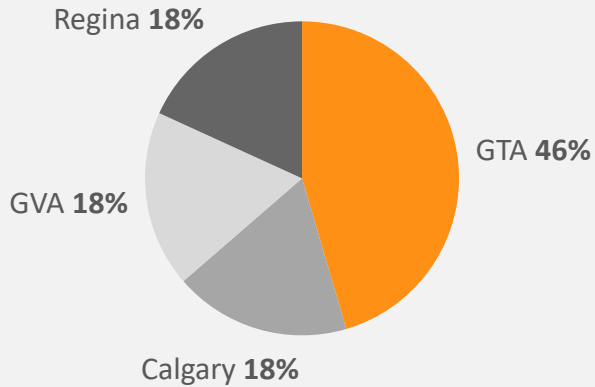
- **40** properties and three expansions
- **~\$530.2 million** combined purchase price
- Added **~1.6 million** square feet of **GLA** to portfolio
- Acquisitions indirectly funded by **six fully-subscribed equity offerings** totaling **~\$409.5 million**
- Increased **brand, geographic** and **tenant** diversification
- Enhanced **capital market liquidity**
- **Accretive** to AFFO per Unit



Portfolio Diversification & Growth



At July 2015 IPO



Markets >
(By GLA)

Dilawri 100%

Tenants >
Base Rent

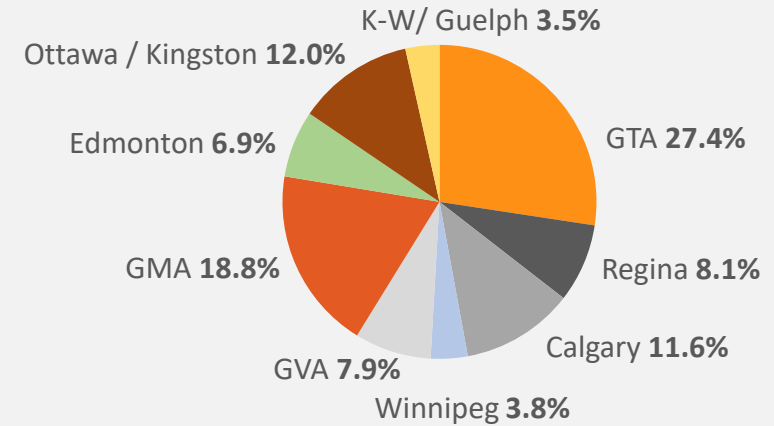
Investment Properties >

\$357.6 million

Market capitalization >

\$180.0 million

As at Mar. 31, 2021



Dilawri 61.4%

\$961 million¹

\$612 million²

(1) As at Mar. 31, 2021

(2) As at May 20, 2021 (Includes Class B units)

Termination of Administration Agreement with Dilawri

- REIT internalization became effective December 31, 2019
- The REIT's management, operating and support personnel now employed directly by the REIT
- Consistent with the REIT's stated strategy to pursue Internalization once it could be achieved on an economic basis
- No termination fees paid to Dilawri
- Strategic Alliance Agreement between the REIT and Dilawri remains intact

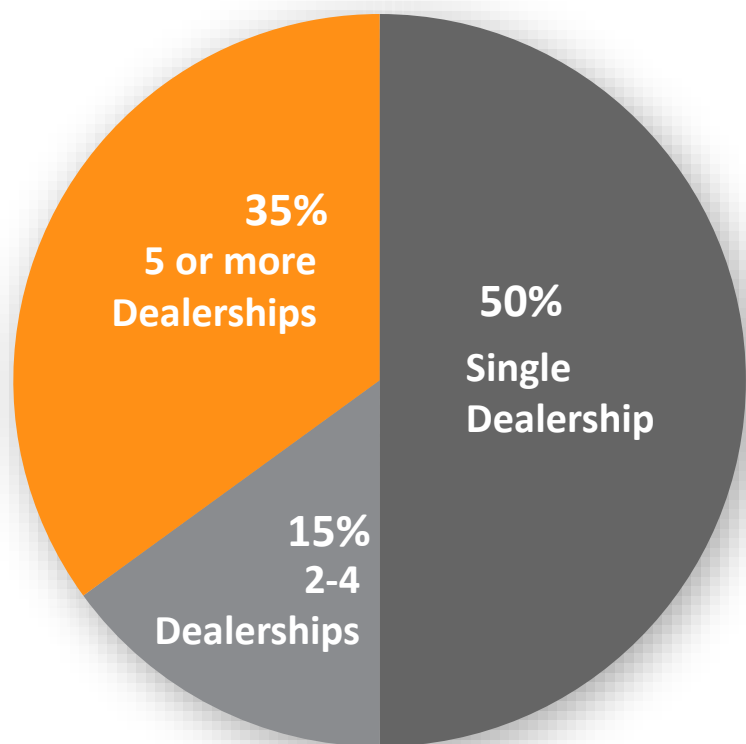


INTERNALIZATION REPRESENTS IMPORTANT MILESTONE FOR THE REIT

Further Opportunity to Consolidate Highly Fragmented Industry



Proportion of Canada's ~ 3,500 Auto Dealerships Owned by Size of Ownership Group¹



10 Dealership Groups: Approximately 11% of the Market

| Company | Dealerships | % of Total |
|---|------------------------------|---------------|
| Dilawri Group^{(2) (3)} | 76 | 2.2% |
| AutoCanada^{(2) (3)} | 53 | 1.5% |
| Go Auto⁽²⁾⁽³⁾⁽⁴⁾ | 46 | 1.3% |
| Steele Automotive Group ⁽²⁾ | 41 | 1.2% |
| Murray Auto Group ⁽²⁾ | 33 | 0.9% |
| Gabriel-Prestige-President Group ⁽²⁾ | 31 | 0.9% |
| Zanchin Automotive Group ⁽²⁾ | 29 | 0.8% |
| Performance Group ⁽²⁾ | 28 | 0.8% |
| Albi Group ⁽²⁾ | 20 | 0.6% |
| O'Regan's Group ⁽²⁾ | 20 | 0.6% |
| Top 10 subtotal | 377 | 10.8% |
| Other | ~ 3,123 | 89.2% |
| Total | ~ 3,500⁽¹⁾ | 100.0% |

(1) Source: DesRosiers Automotive Consultants Inc.
 (2) Information based on publicly available information
 (3) Denotes current tenants of the REIT
 (4) Excludes collision centres and RV/Marine dealerships

- 373 new / refreshed / redesigned models planned for production by existing OEMs for 2019 – 2022
- New entrants expected into NA market (China & India)
- Consumer buying habits being met by enhanced dealership e-commerce offerings and curbside pick-up and service
- Electric vehicles – low penetration, expected to increase
 - Implication on dealer infrastructure
- Automated vs. autonomous
 - Automated – safety / technology expected to be regulated
 - Autonomous – cultural shift
- Other influencers
 - Ride Sharing Platforms – Uber, Lyft



CONTINUED FOCUS ON DEALERSHIP MODEL AND CONSOLIDATION



Stability



Stable Growth Platform



5.7 years

Weighted average term
of fixed interest rates¹
(swaps)

3.73%

Weighted average
fixed interest rate
on debt¹

91%

Portion of total debt at
fixed interest rates¹

> 80%

exposure to VECTOM
markets¹

12.4 years

Weighted average
lease term¹

1.3%

Q1 2021 Same Property
Cash NOI growth (excluding
bad debt recovery) as a result
of contractual annual rent
increases¹

100%

Effective occupancy

41.7%

Debt to GBV¹

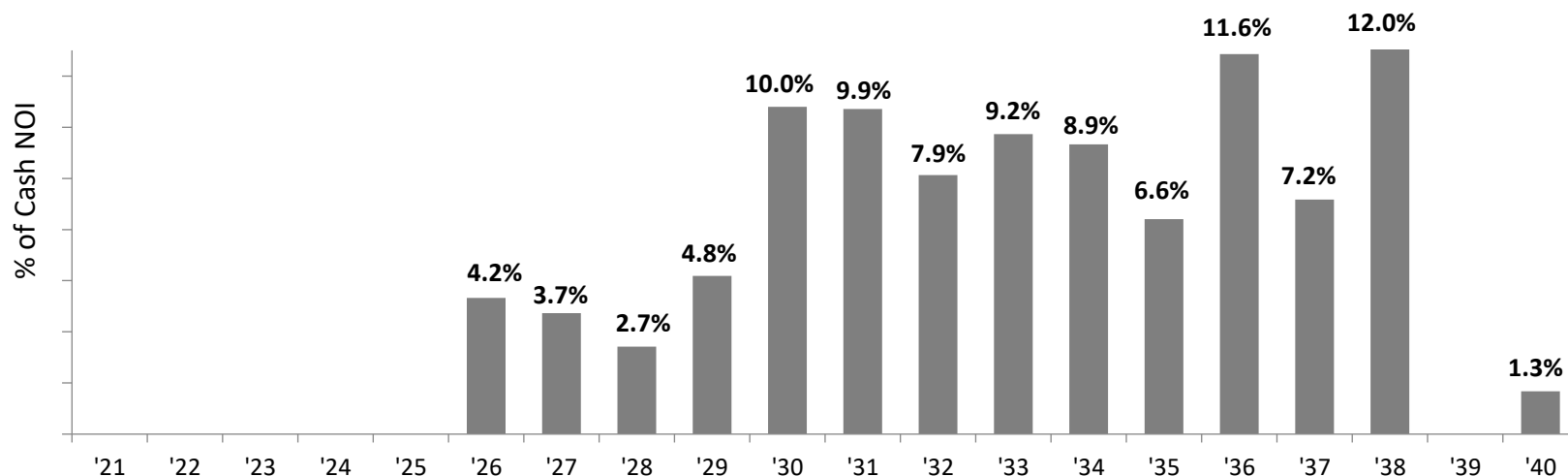
1) As at Mar. 31, 2021

Strong Leasing Profile¹



- Triple-net leases
- 96% of leases are indemnified by multi-brand, multi-location operators (e.g. AutoCanada, Dilawri Group, Go Auto and Pfaff Automotive Partners)
- Weighted average term of 12.4 years
- Fixed 1.5% annual rent escalator for the 36 Dilawri properties over the next 5.2 – 18.8 years

Lease Maturity Schedule²



(1) As at Mar. 31, 2021

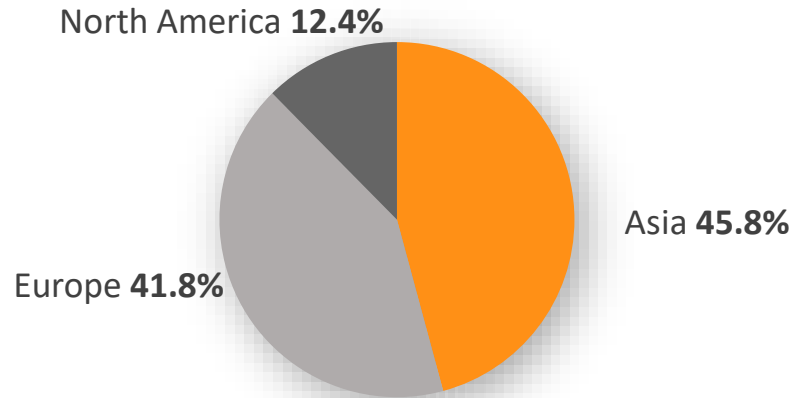
(2) Based on 12-month rolling average as at Mar. 31, 2021

RELIABLE LONG-TERM CASH FLOW, WITH CONTRACTED, LONG-TERM RENTAL INCOME GROWTH

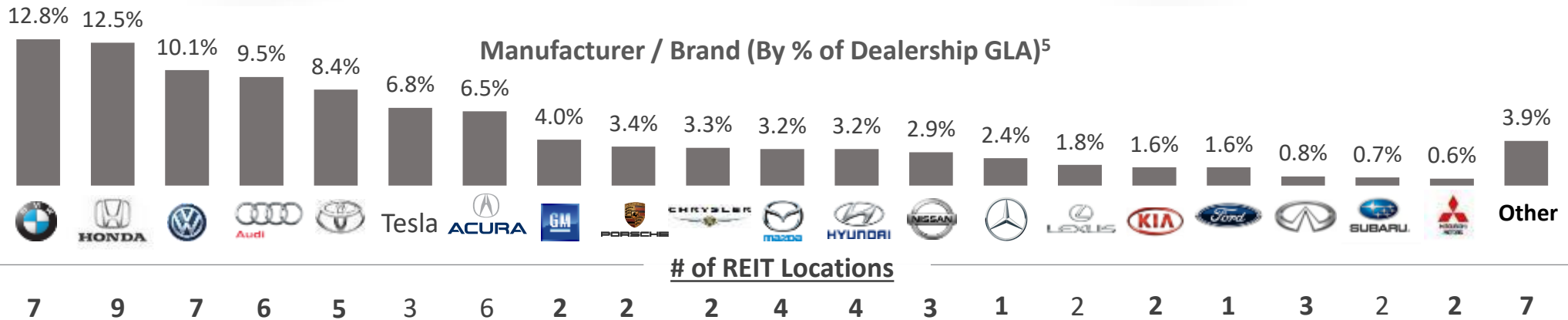
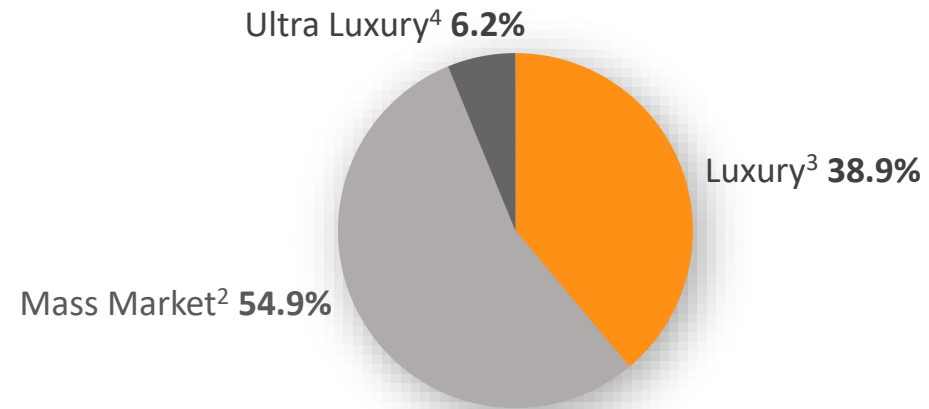
Manufacturer / Brand Diversification



Manufacturers by Region
(% of Cash NOI from Dealership Properties)¹



Brands by Market Segment
(% of Cash NOI from Dealership Properties)¹



(1) As at Mar. 23, 2021

(2) Mass Market segment includes: Chrysler, Ford, General Motors, Kia, Nissan (including Nissan Infiniti), Honda, Hyundai, Mazda, Mitsubishi, Subaru, Toyota and Volkswagen

(3) Luxury segment includes: Acura, Audi, BMW, Infiniti, Lexus, Mercedes-Benz and Tesla

(4) Ultra-Luxury segment includes: Aston Martin, Bentley, Lamborghini, Land Rover, Lincoln, Porsche, Maserati and McLaren

(5) As at Mar. 31, 2021

- As at Mar. 31, 2021, the REIT had cash on hand of ~\$0.3 million, undrawn credit facilities of \$56.9 million and 10 unencumbered properties valued at \$166.8 million
- Debt to GBV as at Mar. 31, 2021 was 41.7%, compared to 44.9% as at Mar. 31, 2020
- Proactively amended covenants to remove the cap on the REIT's distributions at 100% of AFFO payout ratio on a rolling four quarter basis¹
- Certain credit facilities were increased and extended in Q4 2018 / Q1 2019, providing a well-balanced level of annual maturities
- With interest rate SWAPs, the weighted average term to maturity is approximately 5.7 years as at Mar. 31, 2021

| At Mar. 31, 2021 (\$000s) | Maturity | Principal Amount | Effective Fixed Rate of Interest | Amount withdrawn against Revolving Credit Facility | Repayment |
|--------------------------------|-----------|------------------|----------------------------------|--|-----------|
| Facility 1 ² | June 2023 | \$202,541 | 3.73% | \$18,100 of \$30,000 | Open |
| Facility 2 ³ | June 2024 | \$94,241 | 3.52% | \$0 of \$15,000 | Open |
| Facility 3 ⁴ | Dec. 2023 | \$84,313 | 4.05% | \$0 of \$30,000 | Open |
| Mortgages | Multiple | \$14,755 | 3.13% | n/a | Closed |
| Total/Weighted Average: | | \$395,850 | 3.73% | \$18,100 of \$75,000 | |

(1) Please refer to the REIT's Q1 2021 MD&A

(2) Facility 1 consists of a non-revolving loan worth \$184.4 million and a \$30 million revolving credit facility (of which \$18.1 million was drawn as at Mar. 31, 2021)

(3) Facility 2 consists of a non-revolving loan worth \$94.2 million, and a \$15 million revolving credit facility (of which nil was drawn as at Mar. 31, 2021)

(4) Facility 3 consists of a non-revolving loan worth \$84.3 million, and a \$30 million revolving credit facility (of which nil was drawn as at Mar. 31, 2021)



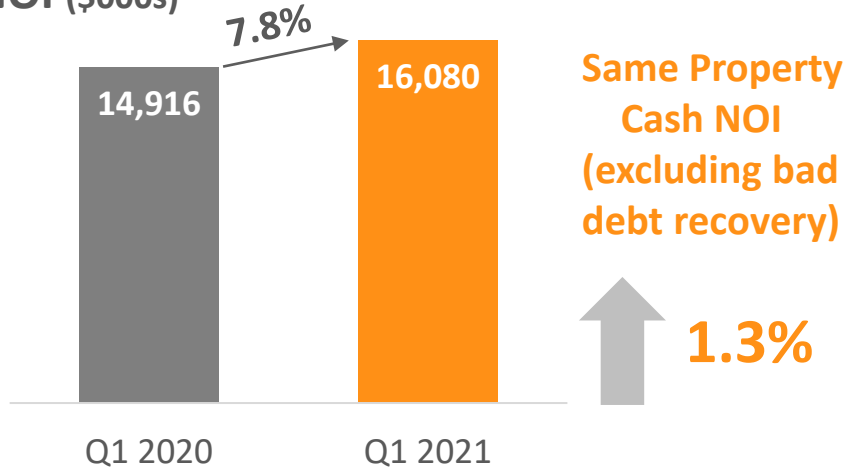
Performance



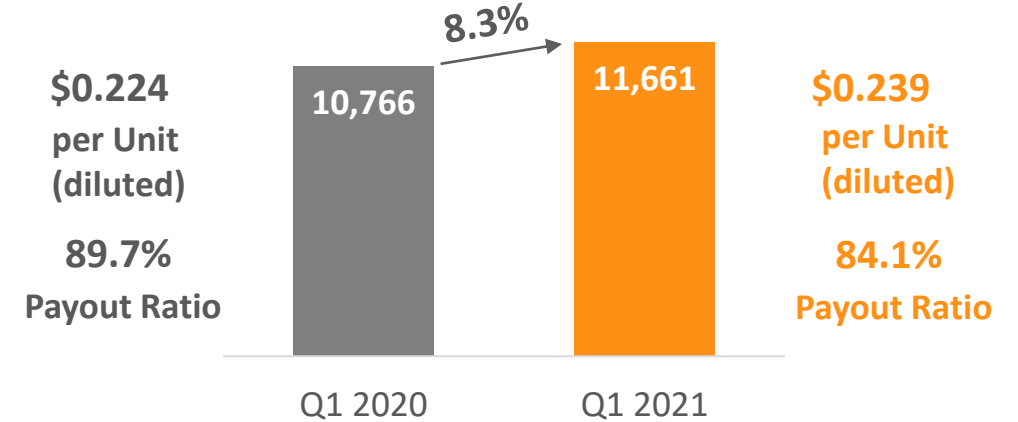
Q1 2021 Financial Review



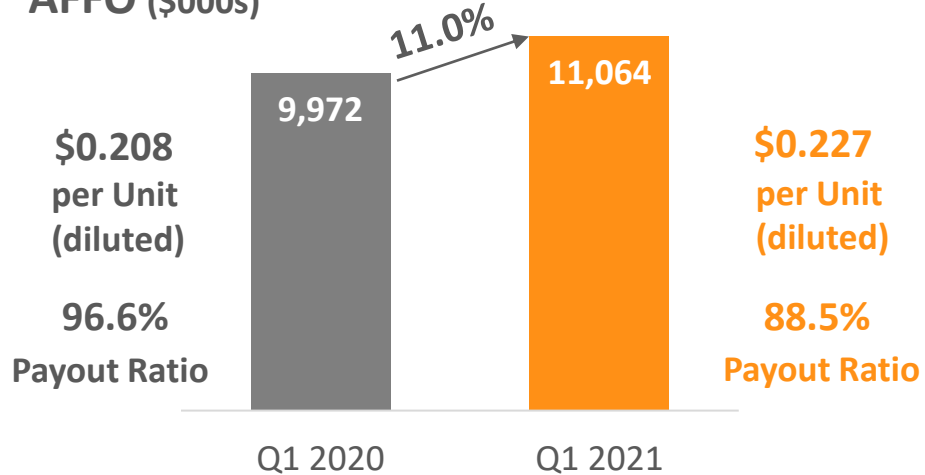
Cash NOI (\$000s)



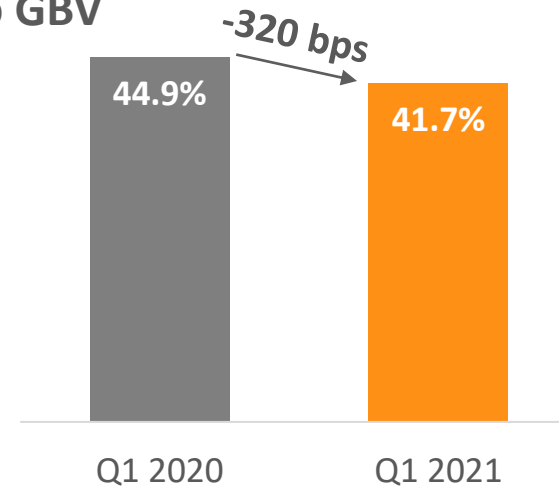
FFO (\$000s)



AFFO (\$000s)



Debt to GBV



2020 Financial Review



| (\$000s, except per unit amounts and payout ratios) | 12 months ended Dec. 31, 2020 | 12 months ended Dec. 31, 2019 | Variance |
|---|----------------------------------|----------------------------------|----------|
| Revenue from investment properties | \$ 75,124 | \$ 67,580 | 11.2% |
| Cash NOI | 60,400 | 53,844 | 12.2% |
| Same property Cash NOI ¹ | 50,842 | 50,273 | 1.1% |
| FFO | 43,789 | 36,148 | 21.1% |
| AFFO | 40,498 | 32,906 | 23.1% |

| Per Unit Amounts / Payout Ratios ² | | | |
|---|----------|----------|--------|
| Distributions | \$ 0.804 | \$ 0.804 | -- |
| FFO (diluted) | 0.910 | 0.997 | -0.087 |
| AFFO (diluted) | 0.841 | 0.908 | -0.067 |
| FFO payout ratio | 88.4% | 80.6% | 7.8% |
| AFFO payout ratio | 95.6% | 88.6% | 7.0% |

(1) Excluding bad debt expense

(2) The declines in FFO per Unit and AFFO per Unit in 2020, along with the increases in the respective payout ratios, primarily reflect the deleveraging and enhancing of the REIT's liquidity position as a result of the issuance of 7,900,500 REIT Units in a \$92 million equity offering completed on December 23, 2019

- APR a top performer in rent collection, solid growth in key performance metrics in Q1 2021
- Canadian automotive dealership industry proving its resilience as an essential business with increasing sales and service levels
 - Dealers have lowered operating expenses and leveraged e-commerce offerings
- APR's diversified lead tenants are well positioned to play a leading role in consolidating automotive dealerships in Canada
- High-quality portfolio of strategically located dealership properties across Canada, representing 32 global manufacturers / brands
- Long-term, triple-net leases with fixed rent escalators provide stable, predictable cash flows
- Strong liquidity position





Appendix



Strong Majority Independent Board



| Name & Domicile | Principal Occupation |
|--|---|
| Louis Forbes Ontario, Canada | Former Senior Vice President and Chief Financial Officer, CT Real Estate Investment Trust |
| Patricia Kay Massachusetts, US | Former Senior Vice President, Dealer Finance – Bank of America Merrill Lynch |
| Milton Lamb Ontario, Canada | President & CEO of Automotive Properties REIT |
| Stuart Lazier Ontario, Canada | Chairman, Northbridge Investment Management Inc. |
| John Morrison, <i>Lead Trustee</i> Ontario, Canada | Former Vice Chairman, Choice Properties Real Estate Investment Trust |
| Kapil Dilawri, <i>Chair</i> Ontario, Canada | Co-founder, Vice President and Secretary of the Dilawri Group |
| James Matthews Ontario, Canada | Executive Vice President of the Dilawri Group |

MANAGEMENT & TRUSTEES FOCUSED ON LONG-TERM AFFO PER UNIT GROWTH AND SOUND GOVERNANCE

Acquisitions with Leading Dealership Tenants



**Porsche Centre /
Jaguar Land Rover**
Edmonton, AB
December 2015
\$23.0 million

Go Mazda
Edmonton, AB
March 2017
\$8.0 million

Ericksen Infiniti **Southtown Hyundai** **Kentwood Ford**
Edmonton, AB Edmonton, AB Edmonton, AB

\$23.2 million for three-property
Portfolio (December 2017)



BMW Laval **Sherwood Park VW**
Montreal, QC Edmonton, AB

\$55.5 million for two-property
portfolio (Sept. 2018)

McNaught Cadillac **St. James VW**
Buick GMC Winnipeg, MB
Winnipeg, MB

\$24.0 million for two-property
portfolio (March 2019)

Abbotsford VW **Guelph Hyundai** **Wellington Motors**
Abbotsford, BC Guelph, ON Guelph, ON

\$30.4 million for three-property
portfolio (June 2019)



9 Dealership Portfolio
Ottawa & Kingston, ON
December 2018
\$101.4 million for 303,817 SF across 6 properties
occupied by 9 dealerships, and 5 properties
designated for ancillary dealership services



Tesla Service Centre
Kitchener-Waterloo, ON
February 2018
\$7.5 million

Straightline Kia
Calgary, AB
December 2019
\$8.4 million

Tesla Service Centre
Laval, QC
August 2020
\$13.5 million



Pfaff Audi
Vaughan, ON
September 2016
\$17.2 million



Brimell Toyota
Scarborough, ON
December 2018
\$26.0 million



Acquisitions with Dilawri as Operating Tenant



Mazda des Sources
Dorval, QC
December 2017
\$8.0 million



Heritage Honda
Calgary, AB
April 2017
\$23.6 million



Barrie Volkswagen
Barrie, ON
March 2017
\$8.9 million



Audi Barrie
Barrie, ON
January 2016
\$11.1 million



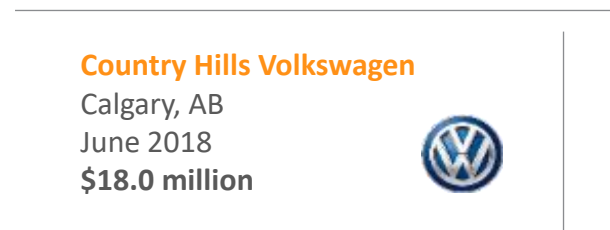
Mercedes-Benz West Island
Dollard-des-Ormeaux, QC
December 2016
\$20.3 million



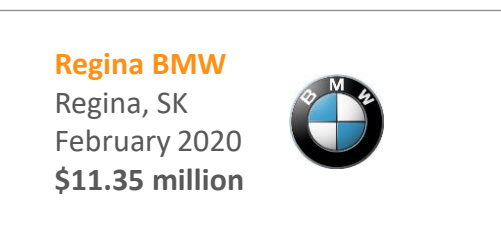
St. Bruno Audi & Volkswagen
St. Bruno, QC
December 2016
\$14.3 million



Toyota Woodland
Montreal, QC
December 2015
\$7.2 million



Country Hills Volkswagen
Calgary, AB
June 2018
\$18.0 million



Regina BMW
Regina, SK
February 2020
\$11.35 million



Audi Queensway
Toronto, ON
September 2019
\$36.5 million



Acura North Vancouver
North Vancouver, BC
February 2020
\$17.5 million



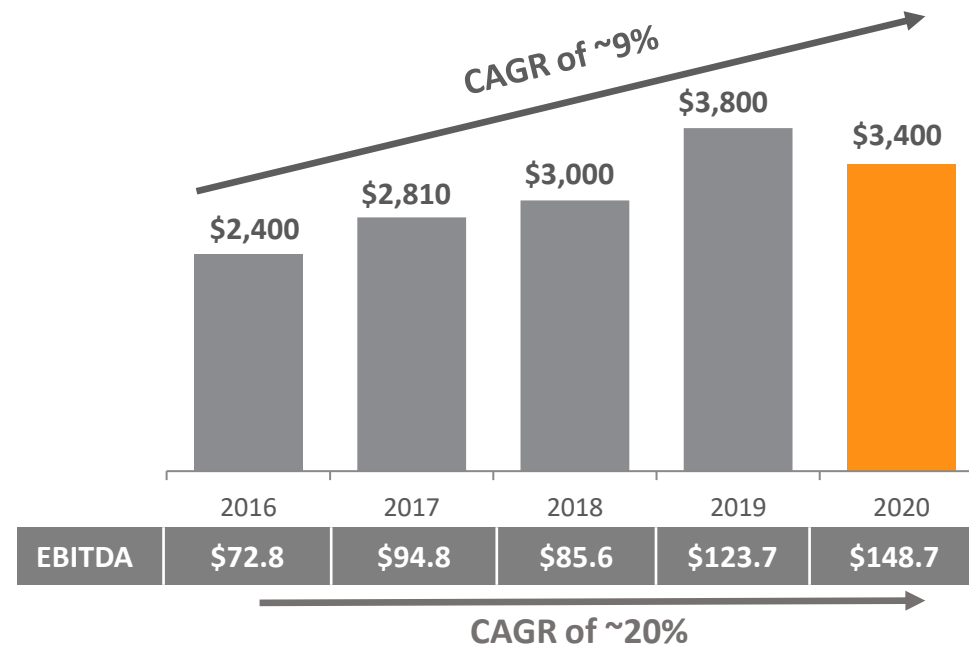
Lexus Laval
Laval, QC
March 2021
\$14.8 million





- REIT has the first right to acquire from Dilawri development and acquisition pipeline
 - Historically, Dilawri has, on average, opened or acquired five new automotive dealerships per year, including two to three automotive dealership properties
- Pro forma adjusted rent coverage ratio of 4.1x as at Mar. 31, 2021 (LTM)
- Pro forma adjusted rent coverage ratio of 3.2x as at Mar. 31, 2020 (LTM)

Dilawri 5-Year Historical Revenues (\$millions)



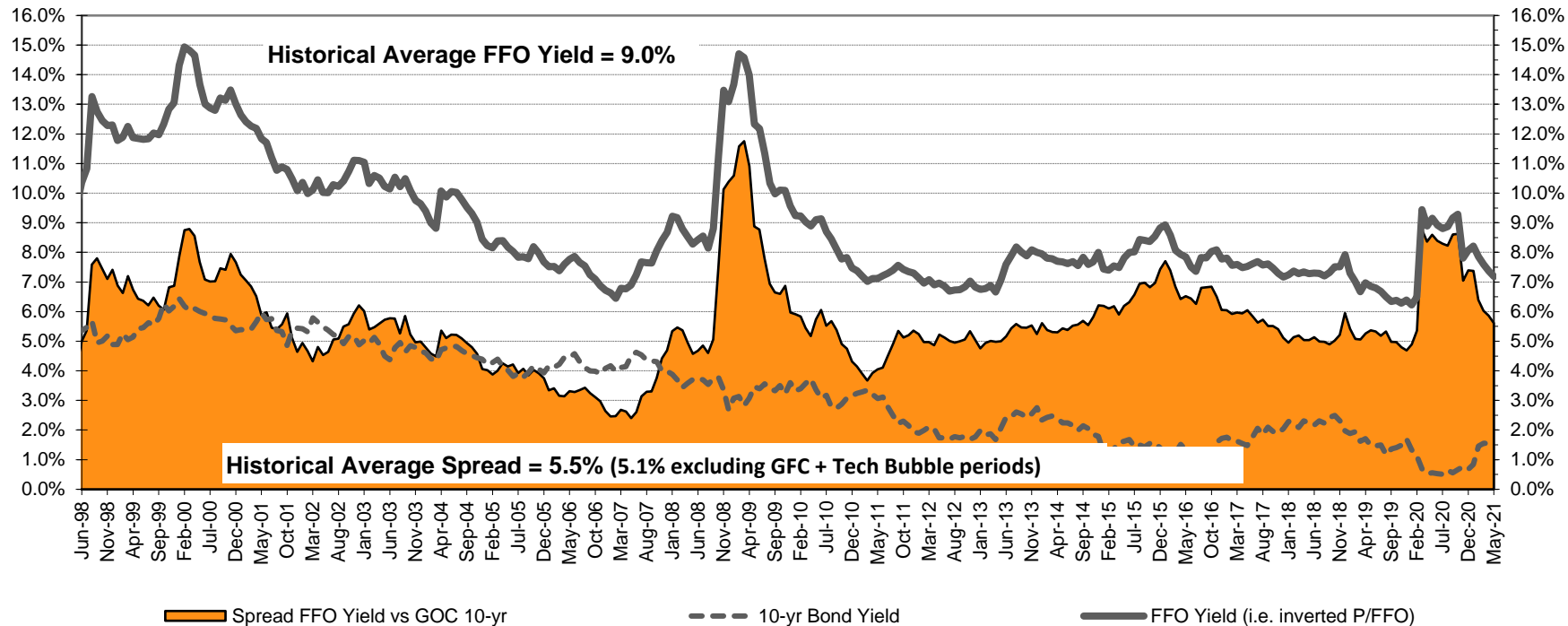
* Dilawri financial information is not audited or reviewed

ALIGNMENT OF INTERESTS THROUGH DILAWRI'S 28.1% EFFECTIVE OWNERSHIP INTEREST IN THE REIT

REIT FFO Yield Versus 10-year Government of Canada Bond Yield¹



- REITs/REOCs within TD Securities coverage universe currently trade at a 5.6% spread to the GoC 10-year bond yield, up 40 basis points from the 5.2% spread at the beginning of 2020, and the long-term average 5.1% spread (excluding the global financial crisis and tech bubble periods)



(1) Sources: TD Securities, ThomsonOne, Bloomberg

REITS / REOCs ARE TRADING WELL ABOVE HISTORICAL SPREAD COMPARED TO 10-YEAR CANADA BOND YIELD

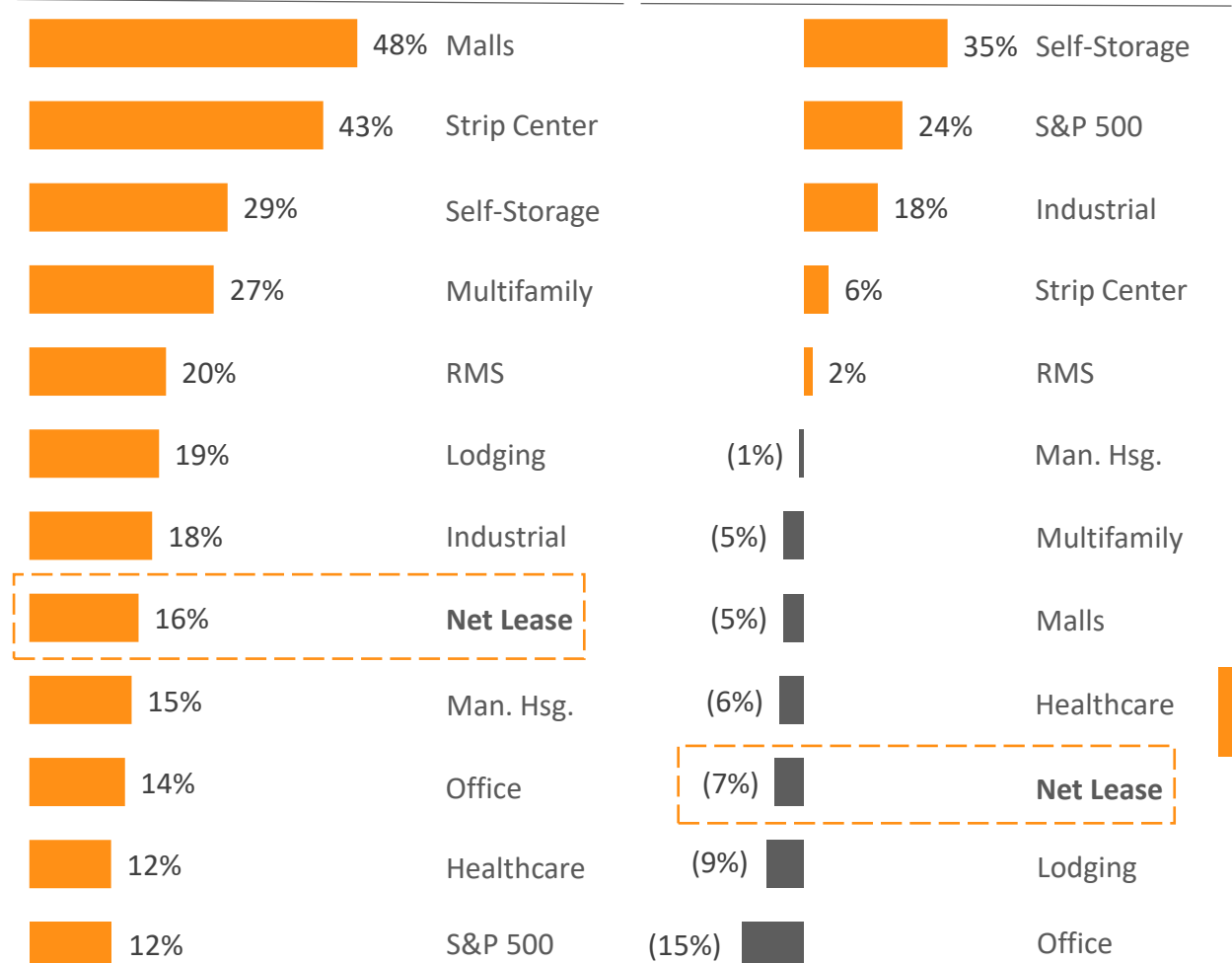
Relative Performance of U.S. Net Lease REITs



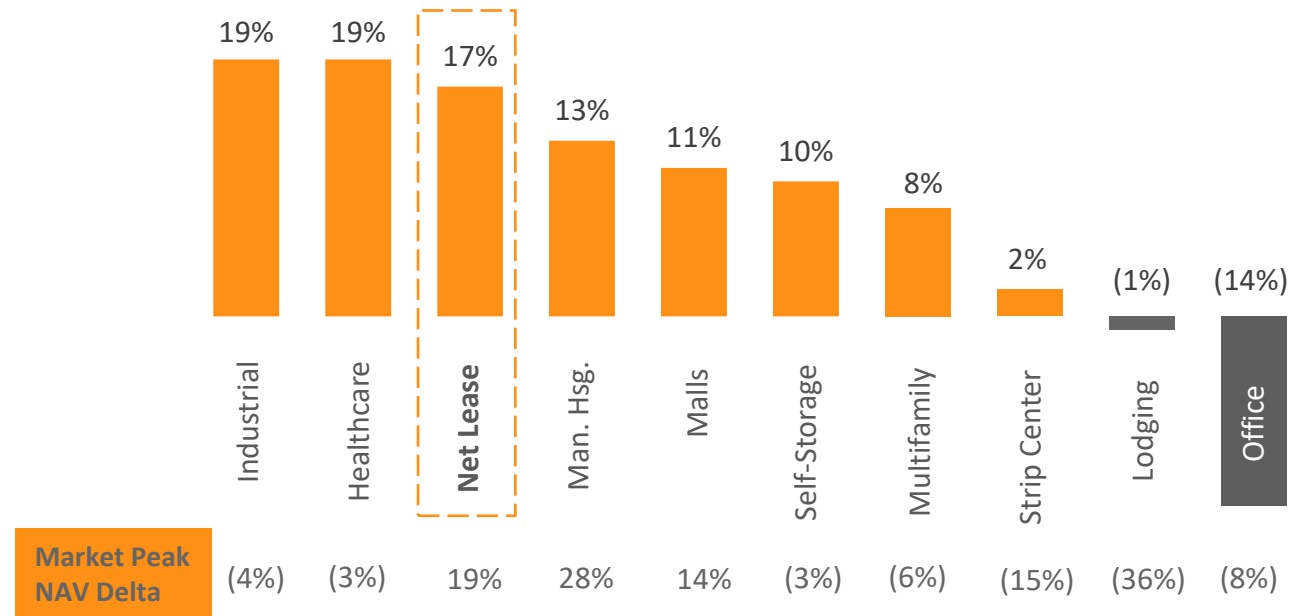
Total Returns by Asset Class^{1,2}

YTD

SINCE PRE-COVID MARKET PEAK



Street Consensus NAV Premium / (Discount)^{2,3}



Sources: FactSet, S&P Global. Pricing as at May 19, 2021 unless otherwise noted

(1) Total returns include change in share price and dividends using a weighted average by market cap

(2) Pre-COVID market peak as of February 19, 2020

(3) Weighted average of premium/discount to NAV based on market capitalization of the peer set as at May 19, 2021. NAV Delta represents average change in street consensus NAV estimates between pre-COVID market peak and current, weighted by market capitalization of the peer set

APR.UN Price Performance



Twelve months ended May 20, 2021

