



Automotive Properties REIT

Montreal Analyst Tour June 2023



June 14, 2023

Vision Statement

“Driving Real Estate Forward”

- APR strives to be the net lease real estate partner of choice for the automotive community while investing in premier locations in growing metropolitan markets to deliver durable and growing cash flow underpinned by longer-term real estate appreciation.

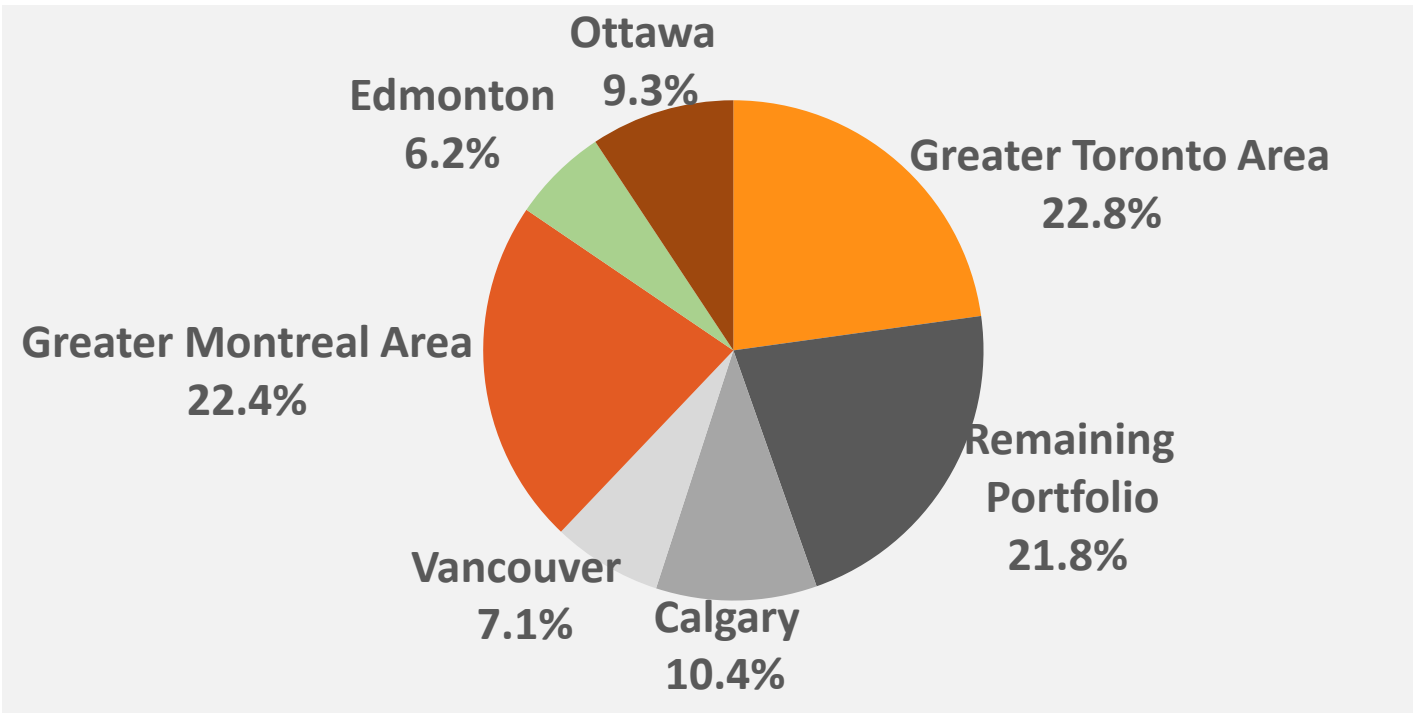


High-quality portfolio of automotive properties in metropolitan markets across Canada

Audi Queensway (GTA)



GLA by metro (March 31, 2023)



Porsche Vancouver (GVA)



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



77
income-producing properties

220 + acres
of commercially-zoned
urban real estate

2.8 million
square feet of Gross Leasable
Area ("GLA")

~ 80%
exposure to VECTOM
markets

CANADA’S ONLY PUBLIC VEHICLE CONSOLIDATING AUTOMOTIVE PROPERTIES



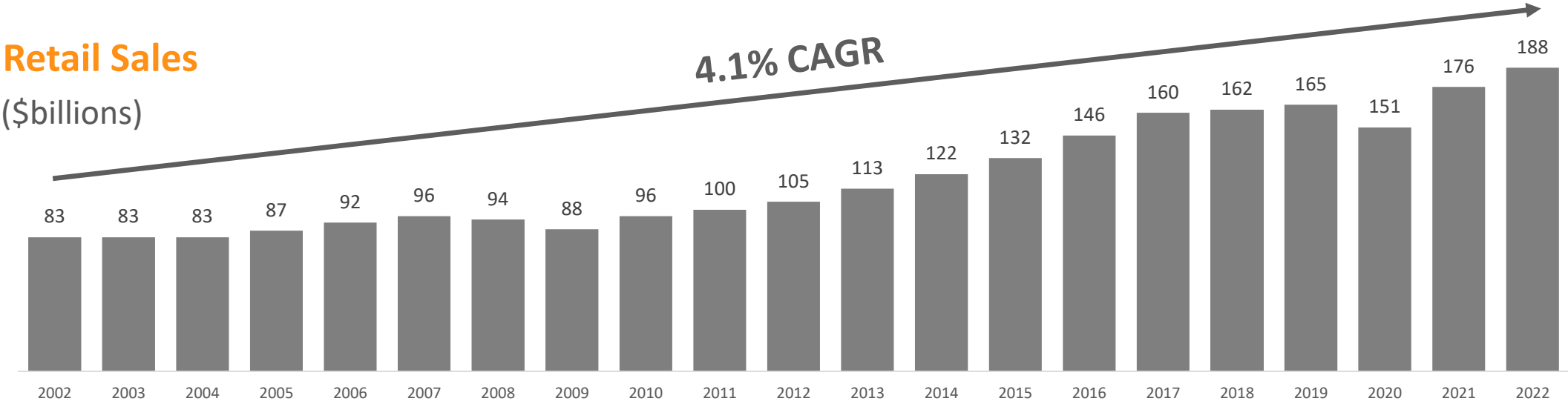
APR has built a portfolio of 77 properties on over 220 acres (approx. 80% VECTOM)

Over the last 8 year since 2015 IPO – tripled assets from < \$400m to approx. \$1.2B by focusing on:

- Quality tenants with multi dealership indemnification and Tesla.
- On prime land supported by GDP, population growth including properties benefiting from Official Plan updates providing higher and better use scenarios.
- All while showing investor discipline – minimal 2021 acquisitions (both auto retail and real estate cap rates edging towards euphoria).
- Strongly believe our portfolio has defensive income (contractual set or CPI escalations) supported by underlying land value available through future higher and better use.

APR will continue to work with our tenants who are leading consolidators as they grow and the industry continues to evolve.

Canadian Automotive Dealership Industry



~25%

Auto industry's proportion of Canada's overall retail sales of products and merchandise in 2022

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 2022

1.58 Million

~5.9% decrease from 2021 levels

Supply chain constraints impacted sales volumes

Canadian new light vehicle sales increased **5.2%** year-over-year in Q1 2023, reflecting continued consumer demand for new vehicles (Source: DesRosiers Automotive Consultants Inc.)

AUTOMOTIVE SALES INDUSTRY - CANADA'S LARGEST AND ESSENTIAL RETAIL SEGMENT

Strong Lead Tenants



- 75+ automotive dealerships, representing ~35 brands
- Presence in QC, ON, SK, AB, BC, and United States
- REIT has the first right to acquire from Dilawri development and acquisition pipeline



(Alpha Auto Group)

- 16 automotive dealerships, representing ~10 brands
- Presence in ON and United States

Tesla

- Leading global electric vehicle maker with largest market capitalization of any automotive company
- Nasdaq: TSLA



- 82 automotive dealerships, representing ~28 brands
- Presence in NS, NB, QC, ON, MB, SK, AB, BC, and United States
- TSX: ACQ



- One of the largest automotive dealership groups in North America, with more than 250 locations
- Acquired Pfaff Automotive Partners in August 2021 to enter Canadian market
- NYSE: LAD



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

Groupe Olivier Capital

Operated by:



- 26 automotive dealerships, representing ~10 brands
- Presence in QC

Stable Growth Platform (As at March 31, 2023)



5.5 years

Weighted average
interest rate swap term
and mortgage remaining

4.18%

Weighted average fixed
interest rate
on debt

94%

Portion of total debt at
fixed interest rates

~ 80%

exposure to VECTOM
markets

10.7 years

Weighted average
lease term

2.4%

Q1 2023 Same Property
Cash NOI growth

100%

Effective occupancy

45.2%

Debt to GBV

REIT Structure and Strategy to Mitigate Inflation

- Interest rate swaps and mortgages (as at Mar. 31, 2023)
 - Weighted average interest rate swap and mortgage term of 5.5 years
 - 94% of debt fixed through interest rate swaps and mortgages
- Contractual rent increases, including CPI-linked increases
 - Fixed annual increases or CPI-linked adjustments
 - Leases with CPI adjustments represent ~26% of base rent in 2023
 - For 2024, leases with uncapped CPI-related adjustments represent ~26% of base rent, and leases representing an additional ~10% of base rent will be subject to capped CPI-related adjustments
- Property-level costs are the responsibility of tenants under triple-net leases
 - Tenants pay for repairs and maintenance, realty taxes, property insurance, utilities and non-structural capital improvements



THE REIT IS WELL POSITIONED FOR AN ENVIRONMENT OF ELEVATED INFLATION

- New entrants expected into NA market from Asia
- Consumer buying habits being met by enhanced dealership e-commerce offerings and curbside pick-up and service
- Electric vehicles – low penetration, but gradually increasing
 - EV registrations comprised 5.6% of new U.S. light vehicle registrations in 2022, compared to 3.1% in 2021 ¹
 - Implication on dealer infrastructure
- Automated vs. autonomous
 - Automated – safety / technology expected to be regulated
 - Autonomous – cultural shift
- Other influencers
 - Ride Sharing Platforms – Uber, Lyft



(1) Source: Experian

CONTINUED FOCUS ON DEALERSHIP MODEL AND CONSOLIDATION

Acquisition Growth (July 2015 IPO to Present)



- **53** properties acquired / four property expansions / two property divestitures
- **Over \$700 million** deployed
- Added **~1.8 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
- Focused on **AFFO per Unit growth**
- Additional \$16.1M acquisition of dealership property in Brossard, Quebec completed in June 2023
 - Under lease with Groupe Park Avenue Volvo & Jaguar Land Rover
 - Lease is subject to annual adjustments linked to CPI in Quebec
 - New 50/50 Joint Venture (\$8.1M each) with Storage Vault Canada





Sample of Prime Urban Properties



Sustainable Income on Prime Land



Sample Urban Properties - 2022 Demographics Radius



Average Household Income			
Property (3 KM)	Average (2022)	5-Year Population Growth	10-Year Population Growth
Hyundai Honda, Gallery	\$136,498	11.33%	11.33%
Audi Vaughan	\$126,499	12.02%	12.02%
Markham Acura	\$118,524	10.79%	10.79%
Markham Honda	\$114,605	9.87%	9.87%
JLR Volvo, Brossard	\$112,139	8.23%	8.23%
MB West Island	\$110,717	3.67%	3.67%
Audi Burrard, Van	\$105,534	1.30%	1.30%
Frost GMC, Brampton	\$98,699	2.50%	2.50%
Porsche Centre, Van.	\$94,780	1.30%	1.30%
Lexus Laval	\$81,693	7.00%	7.00%
Brimell Toyota, Scarb.	\$75,864	1.00%	1.00%

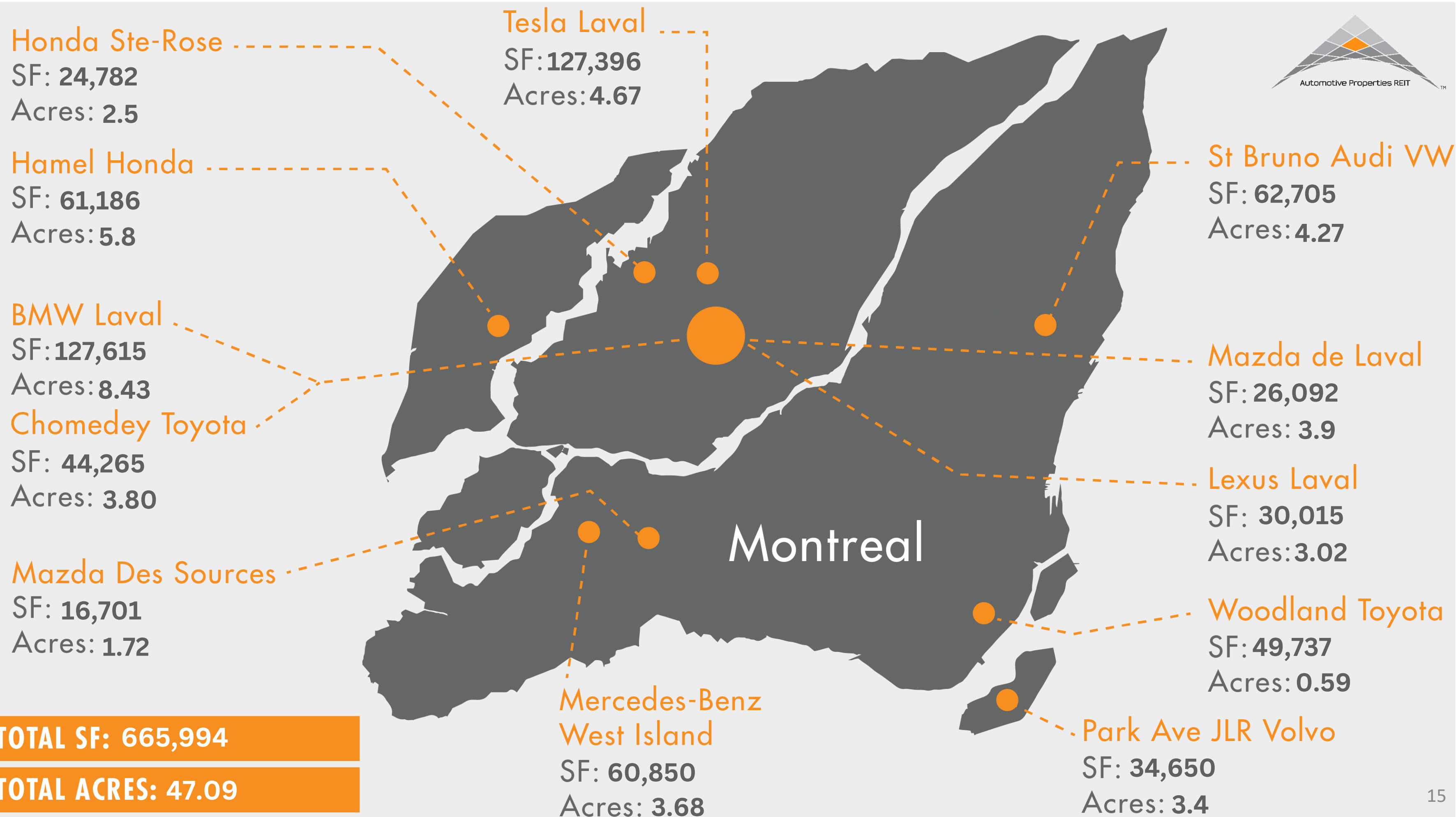


230k Average population density within a 5-km radius



60 Average transit score = "Good Transit"

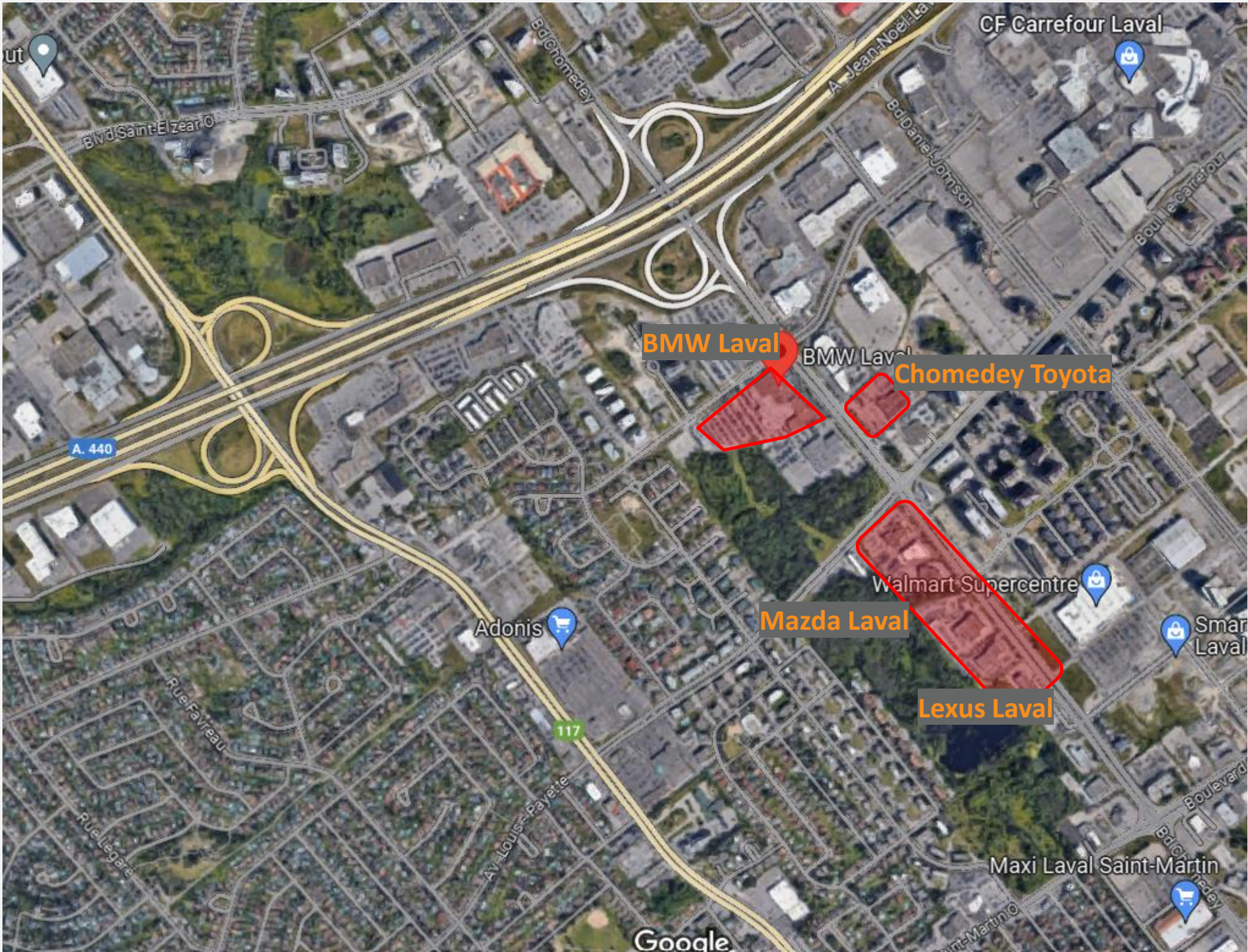
MONTREAL PROPERTIES



BMW Laval, Chomedey Toyota, Mazda de Laval, Lexus Laval (Laval, QC)



BMW Laval
Chomedey Toyota
Mazda de Laval
Lexus Laval
(Laval, QC)



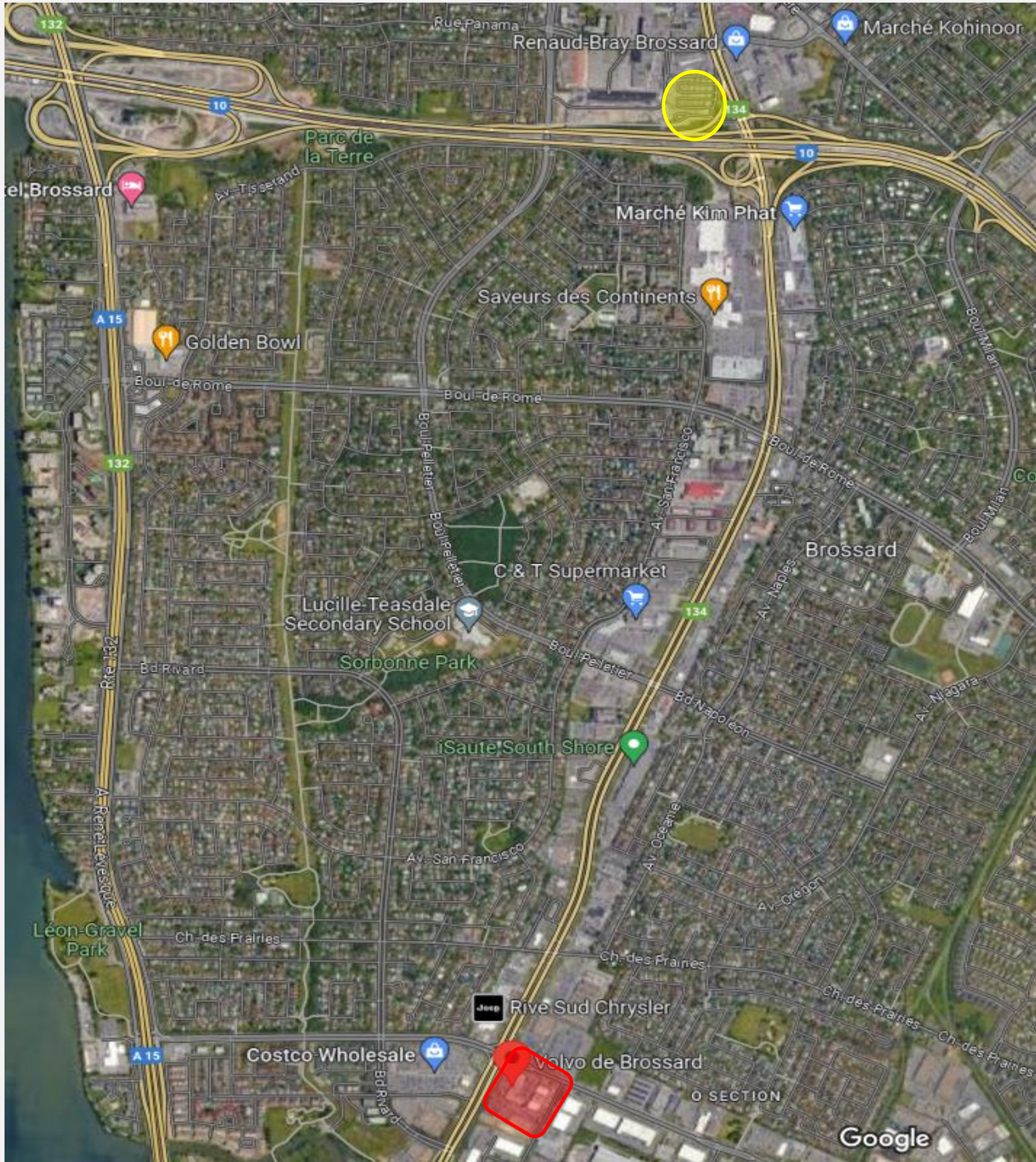
Park Avenue Volvo JLR (Brossard, QC)



Park Avenue Volvo JLR
(Brossard, QC)



 = REM Panama Terminal



Mercedes-Benz West Island (Montreal, QC)

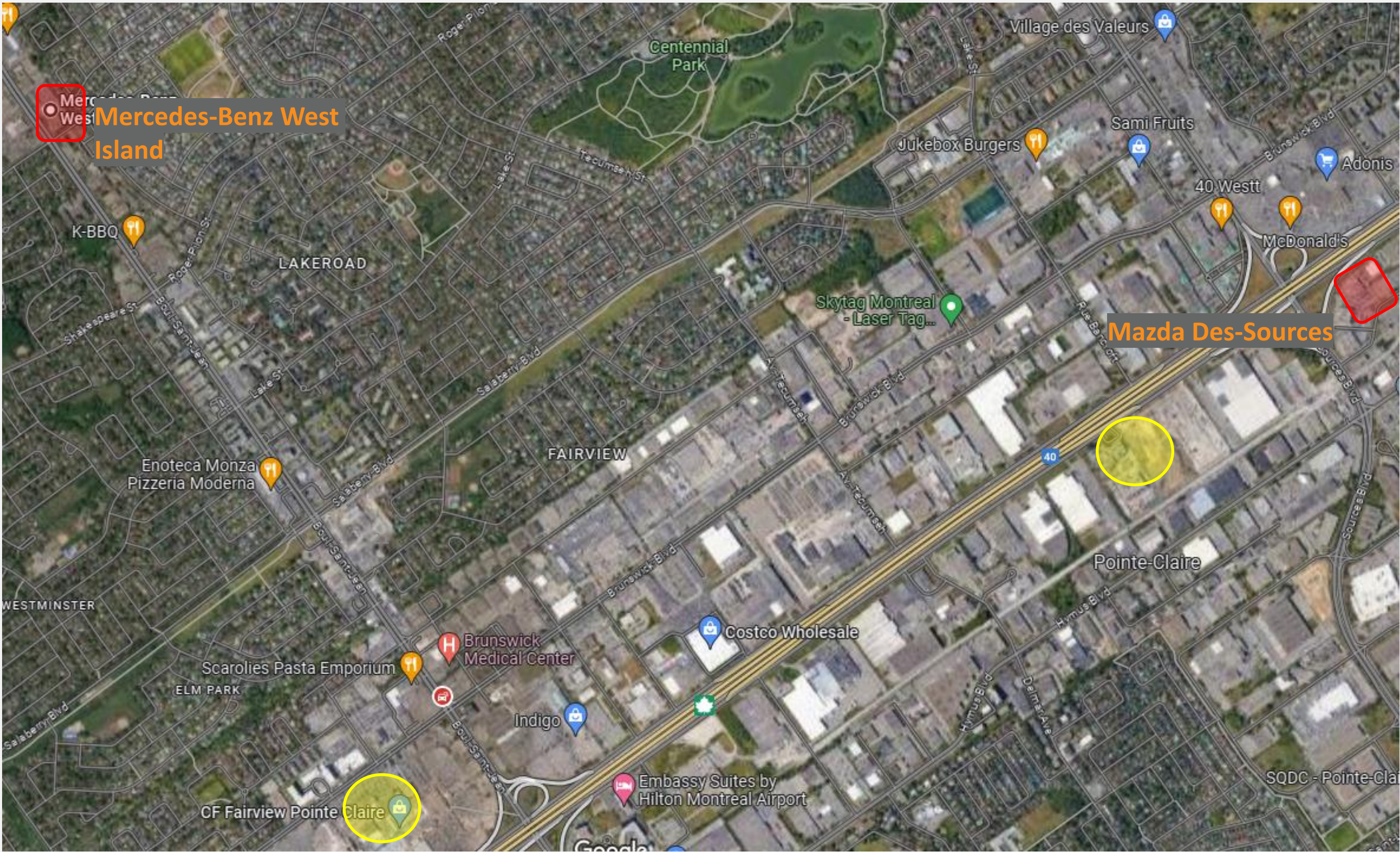


Mercedes-Benz West Island (Montreal, QC)

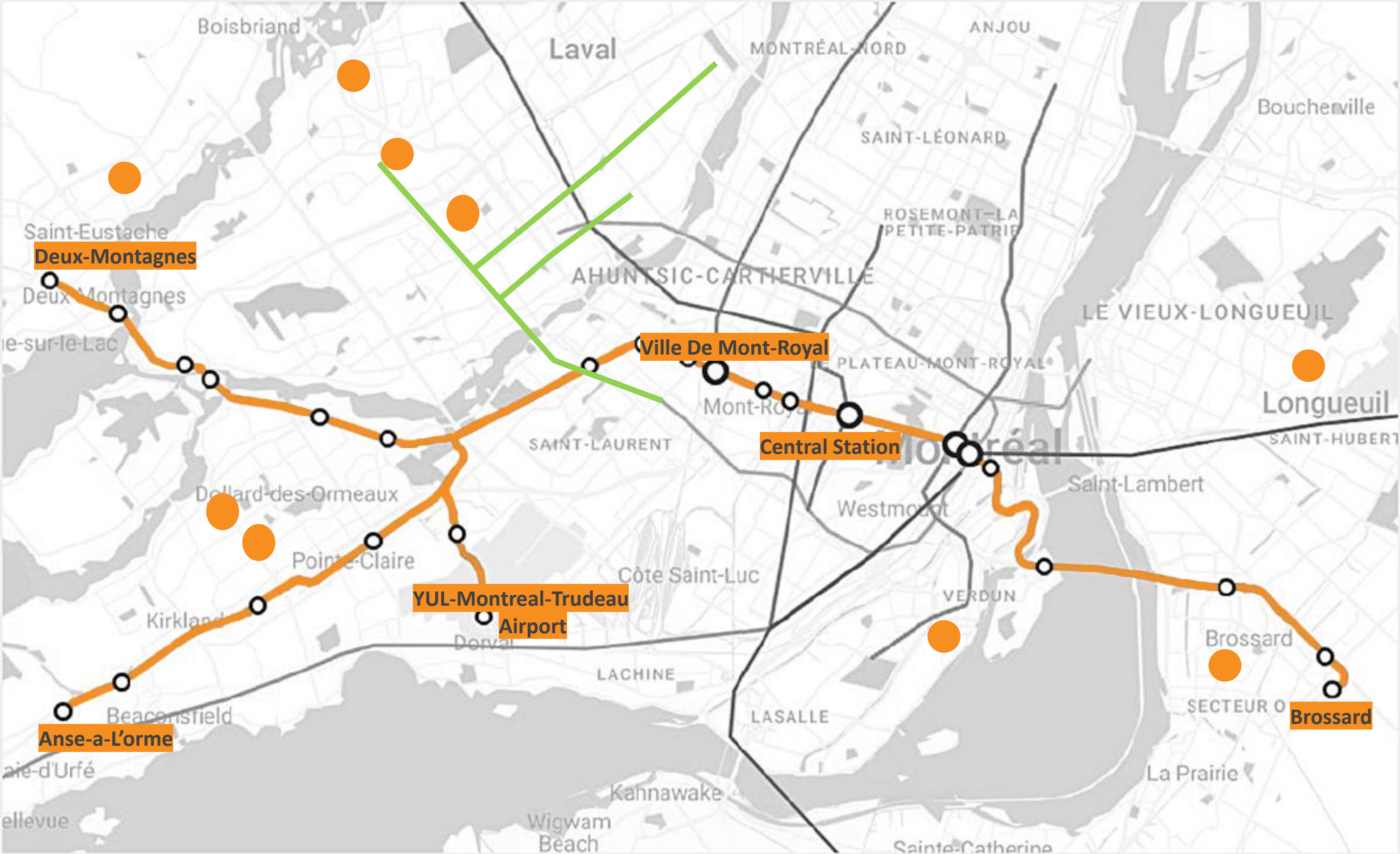


Will benefit from new Fairview-Pointe Claire and Des Sources REM stations.

 = Major Transit Station



REM & Montreal's Metro and Train



- Expected completion:
- Brossard (2023)
 - Anse-à-l'Orme (2024)
 - Deux-Montagnes (2024)
 - Montreal's airport (2027)

- APR Properties
- Potential Future Laval Transportation

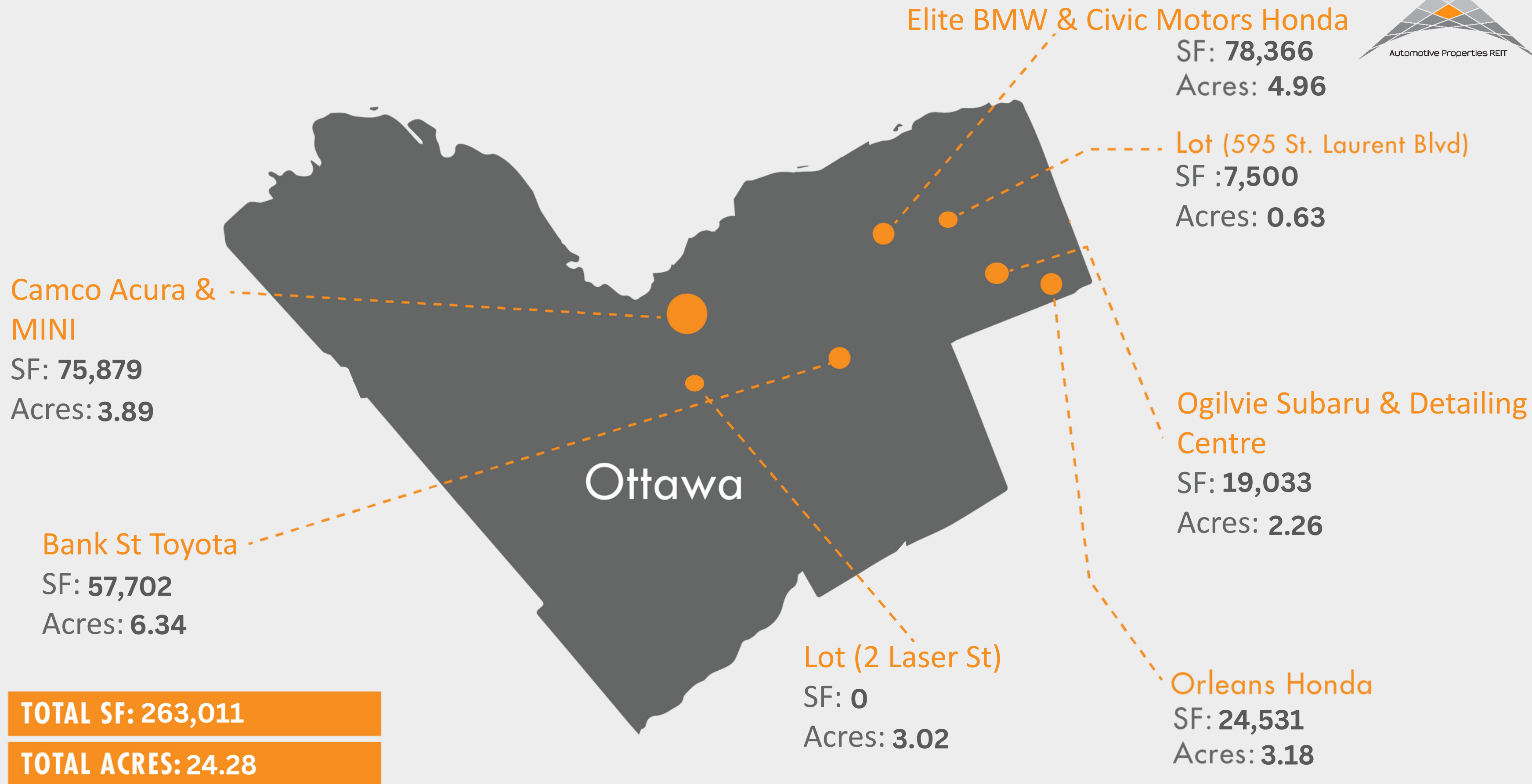
Source: <https://rem.info/en/albums/maps>

Quebec Announces Big Projects for Laval Transit

“In Action for Sustainable Mobility in Laval”



OTTAWA PROPERTIES



Camco Acura & MINI (Ottawa, ON)



Camco Acura & MINI (Ottawa, ON)



 = Westgate Future Redevelopment

RioCan's Westgate Mall Proposed Redevelopment



3 phases, five buildings, 24-36 storeys

Source: Westgate Mixed-Use Community Master Plan, Fontenn Planning + Design, and RENX.ca

Bank Street Toyota (Ottawa, ON)



Bank Street Toyota (Ottawa, ON)



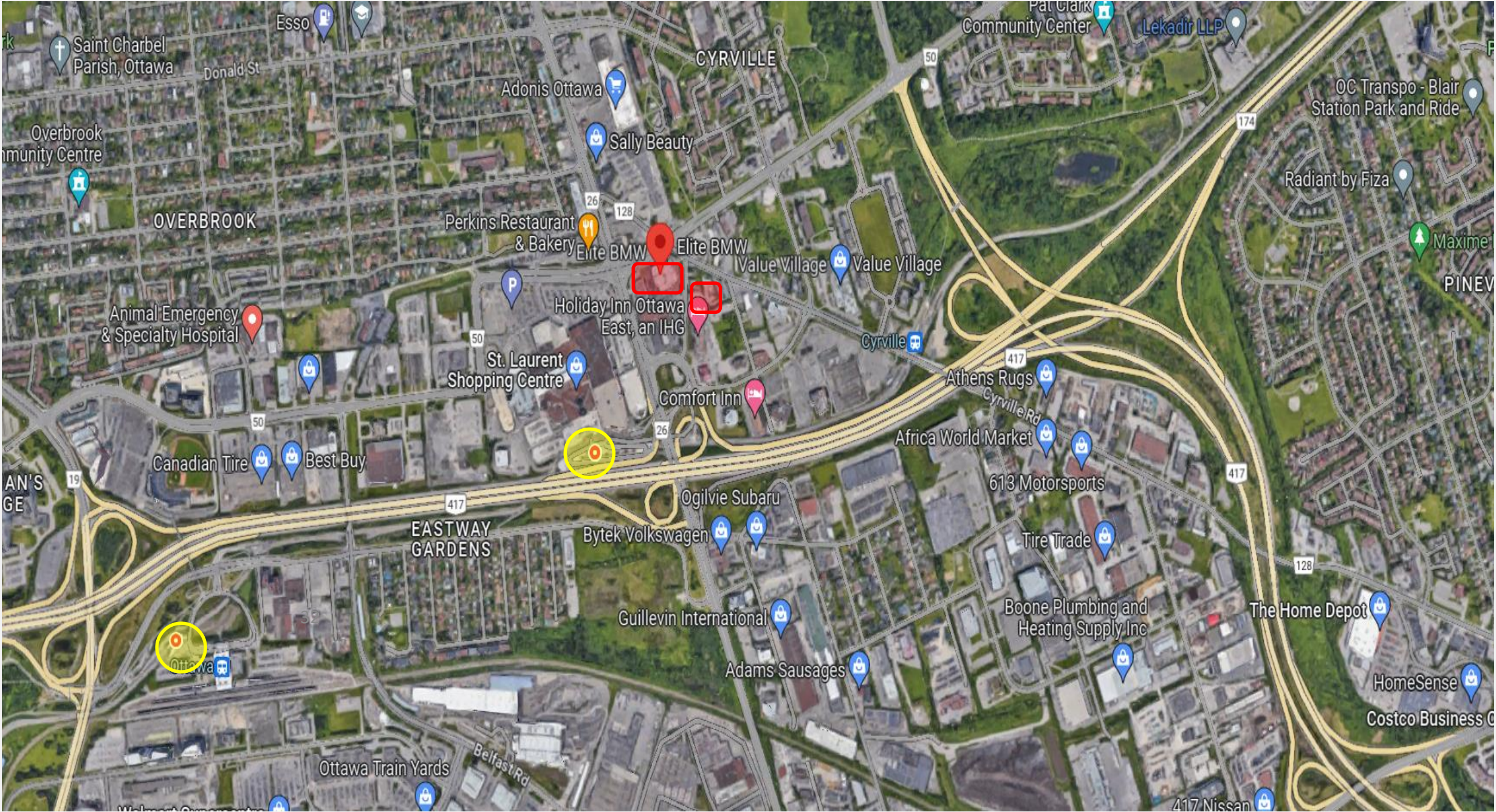
Current secondary plan permits 16 storeys with 3.5X max FSI
Under official plan review for greater intensification

 = Major Transit Stop

Elite BMW & Service
Civic Motors
Lot (1106 Cyrville)
(Ottawa, ON)



Elite BMW & Service
Civic Motors
Lot (1106 Cyrville)
(Ottawa, ON)



 = Major Transit Terminal

Secondary plan 30 storeys support under official plan review

Neighbouring Development



1209 St. Laurent Blvd

1.05 acre property Fengate & Canderel acquired January 2022 for \$15.13M to develop 2-tower purpose built rental buildings including 640 units / 30-storeys shared by 7-storey podium

Source: <https://renx.ca/fengate-acquiring-2-high-density-ottawa-multires-dev-sites>, Fengate.com

GTA PROPERTIES

Audi Vaughan

SF: 68,874
Acres: 2.98

Bolton Toyota

SF: 22,741
Acres: 3.00

Audi Queensway

SF: 65,547
Acres: 2.52

Dixie Automall

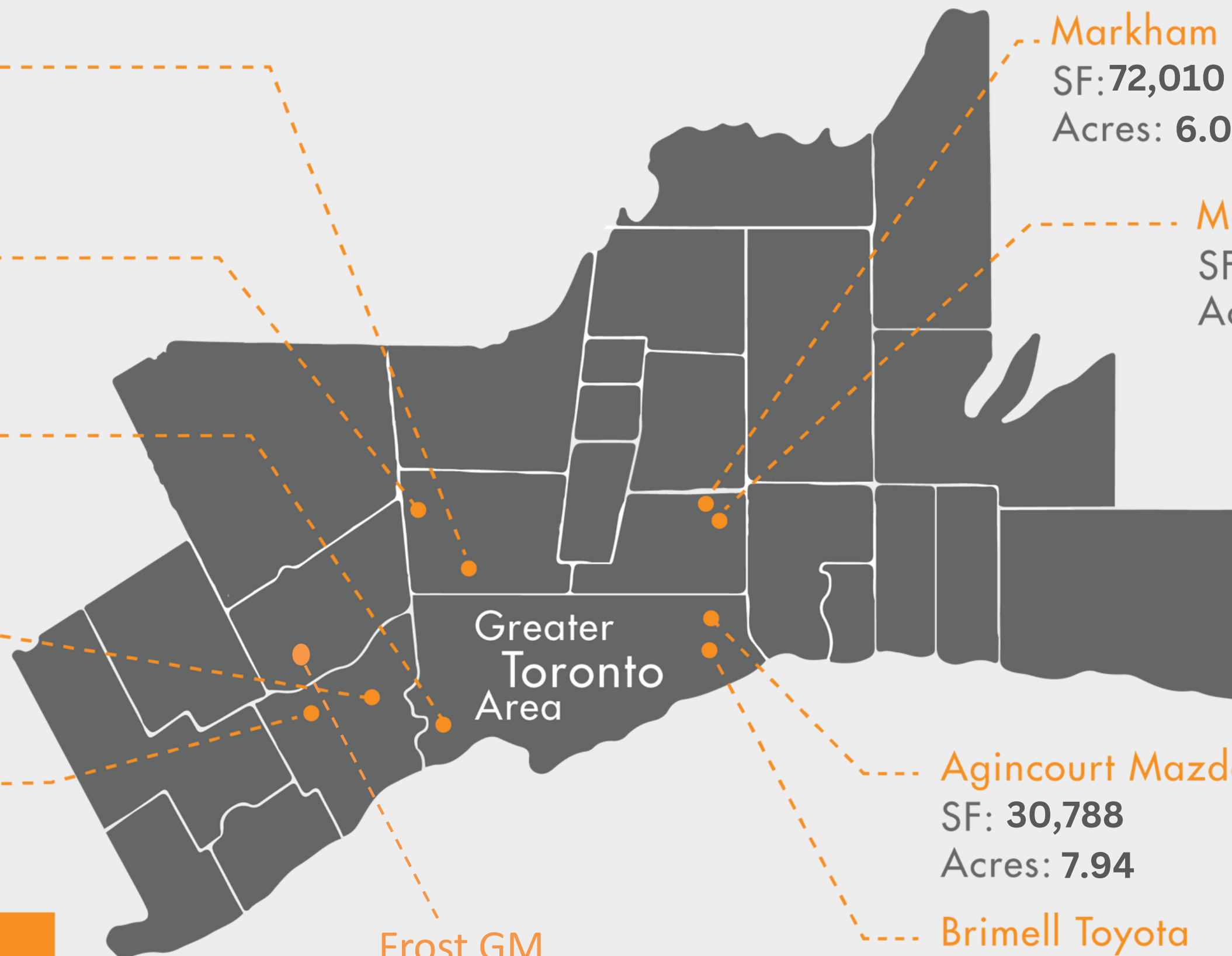
SF: 188,156
Acres: 26.05

Meadowvale Honda

SF: 34,539
Acres: 3.70

TOTAL SF: 613,490

TOTAL ACRES: 54.13



Markham Honda

SF: 72,010
Acres: 6.00

Markham Acura

SF: 32,025
Acres: 3.00

Greater
Toronto
Area

Frost GM

SF: 43,210
Acres: 2.86

Agincourt Mazda

SF: 30,788
Acres: 7.94

Brimell Toyota

SF: 55,600
Acres: 4.02

Audi Vaughan (Vaughan, ON)



Audi Vaughan (Vaughan, ON)



Neighbouring properties achieving heights of 26-29 storeys.

Neighbouring Developments



8940-8946 Jane St – Charisma
Phase 1&2 (Greenpark Homes)
Storeys: 26, 28, 29
Source: UrbanToronto.ca



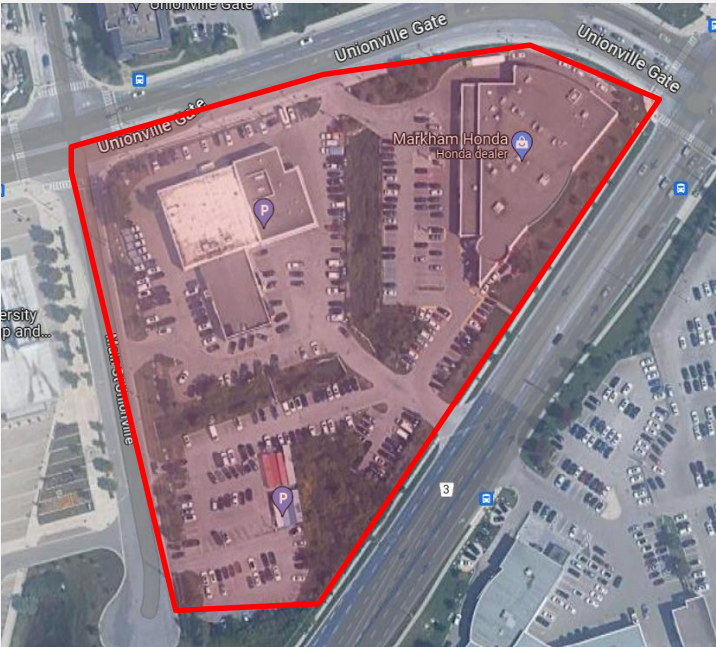
9075 Jane St – Park Place
(Solmar Developments)
Storeys: 23 & 20
Source: UrbanToronto.ca

Markham Honda & Markham Acura

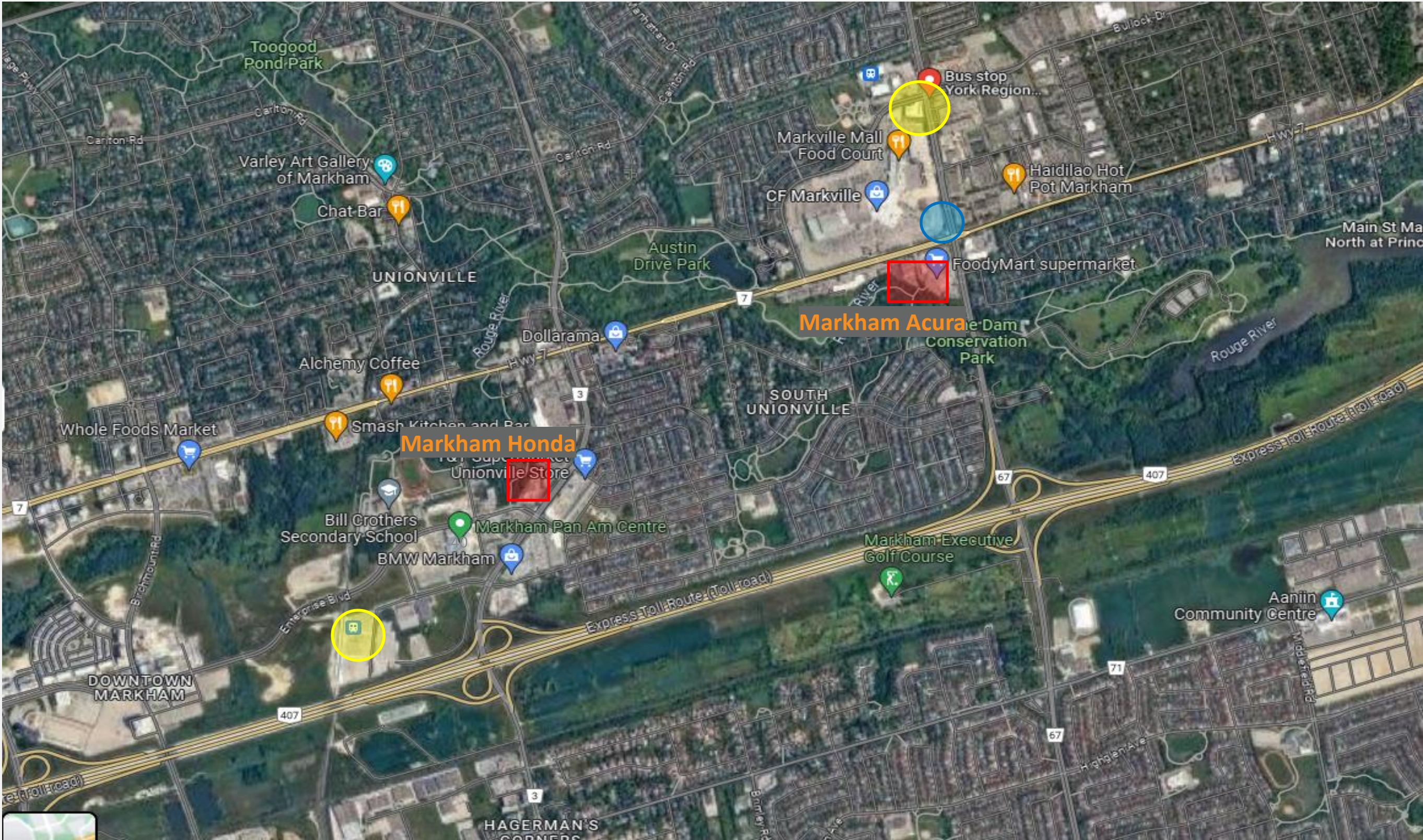
(Markham, ON)



Markham Honda & Markham Acura (Markham, ON)



- = Major Transit Terminal
- = Future BRT Station



Two Towers to Replace Car Dealership near Kennedy and Hwy 7

- AWIN submitted OPA and Zoning By-law Amendment for residential mixed-use project just north of Markham Honda site
- Approximately 3 acre site proposes 2 towers 23 & 27 storeys including 769 new residential units
- Total GFA of 61,162 m² or 658,341 SF
- 4.99 FSI



Source:

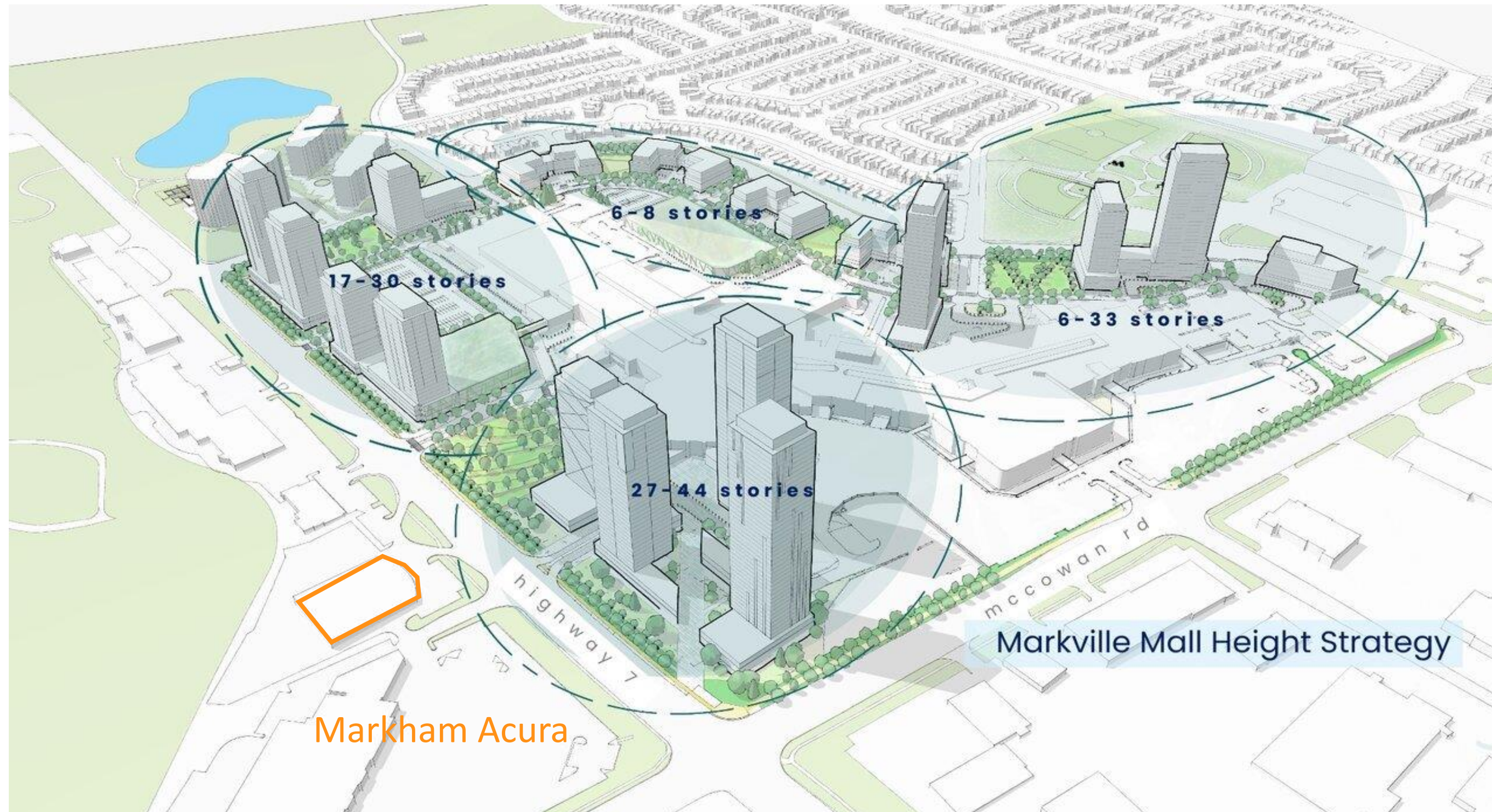
<https://urbantoronto.ca/news/2023/06/two-towers-replace-car-dealership-near-kennedy-and-hwy-7.52831>

Remington and City of Markham - Downtown Markham Megaproject



Source: <https://downtownmarkham.ca/about/downtown-markham/>;

Cadillac Fairview and Ontrea - Markville Mall Proposed Redevelopment

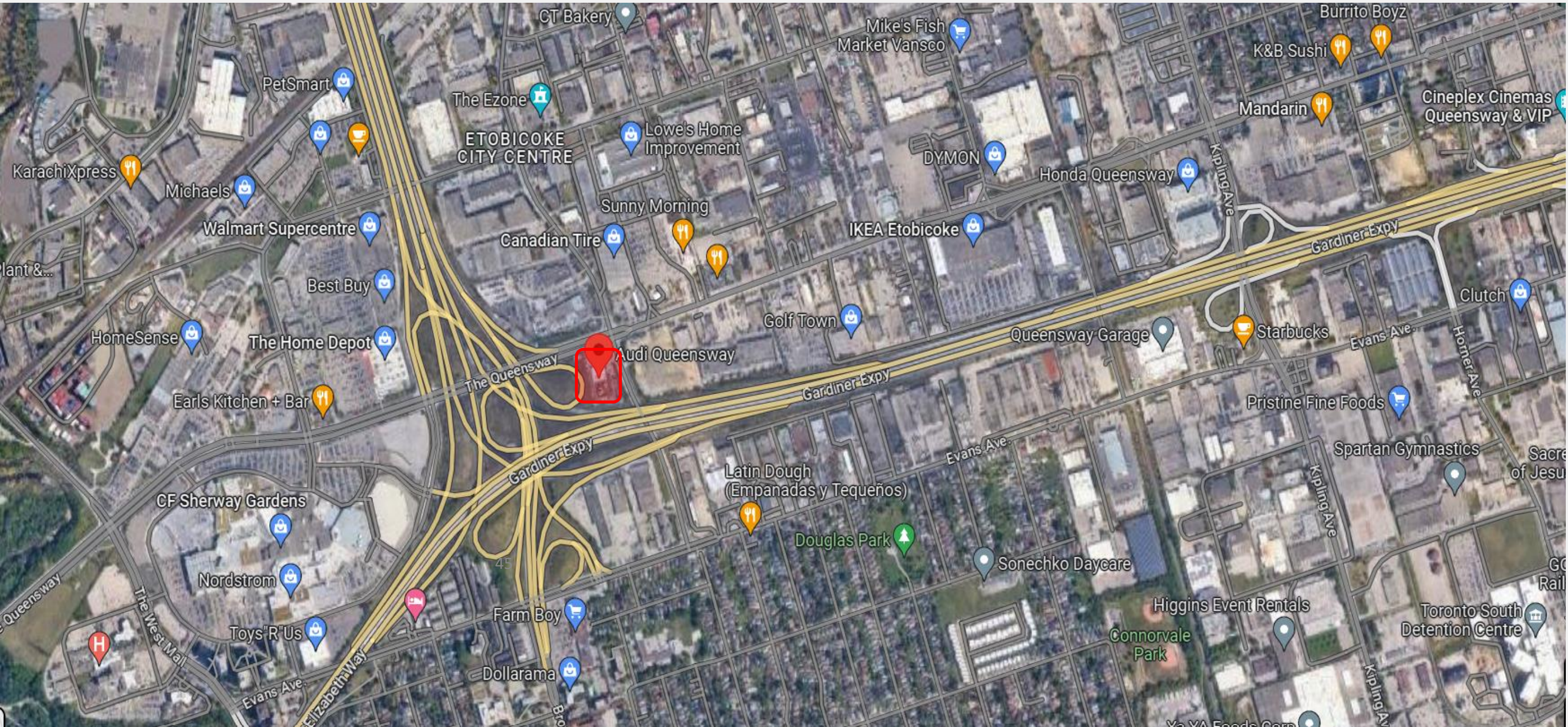


Source: <https://urbantoronto.ca/database/projects/markville-mall-redevelopment.51306>

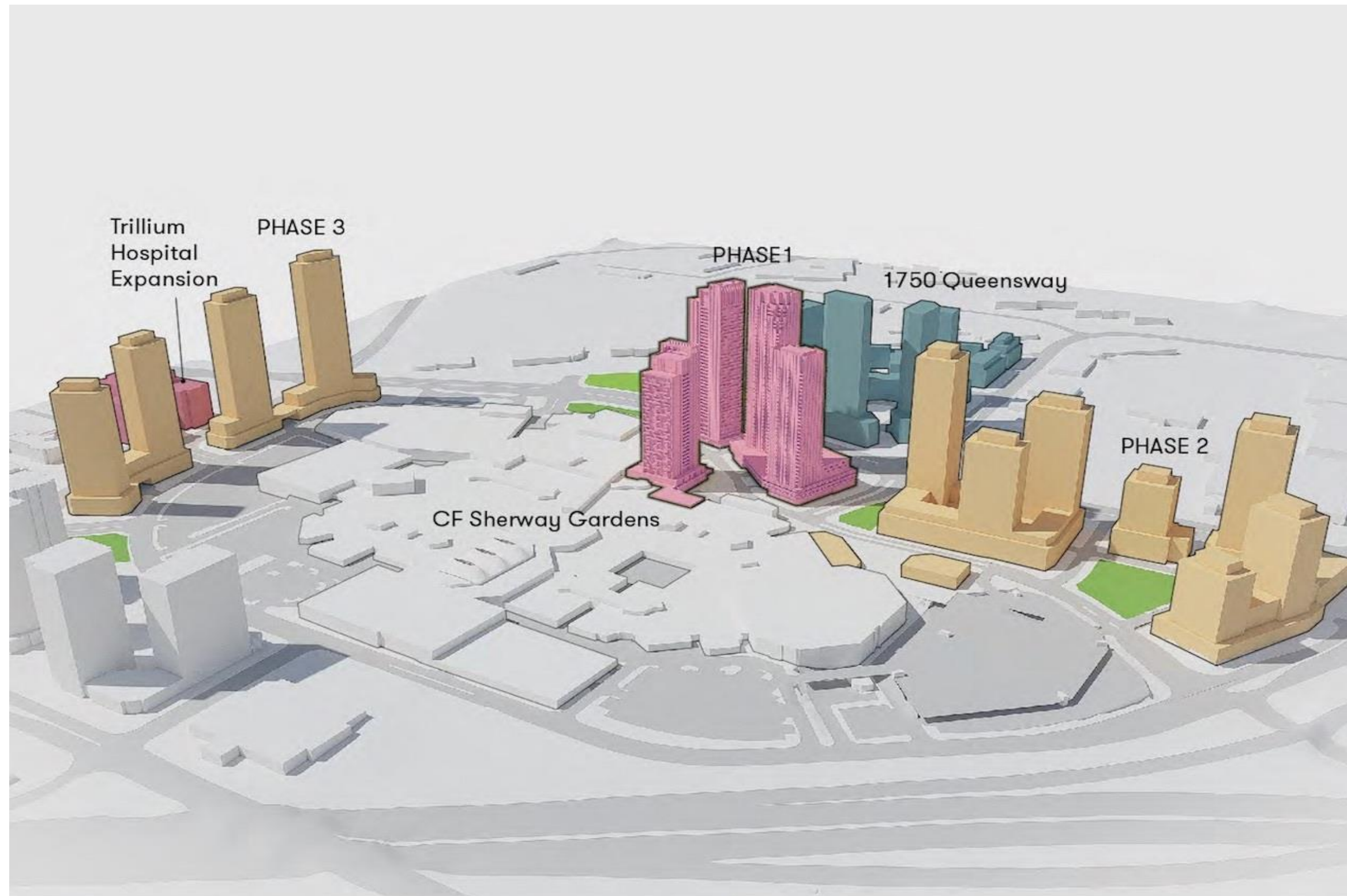
Audi Queensway (Etobicoke, ON)



Audi Queensway (Etobicoke, ON)



Cadillac Fairview & DiamondCorp - Sherway Gardens 3-Phase Development Plan



Source: <https://urbantoronto.ca/news/2021/12/three-phase-development-proposed-around-sherway-gardens-etobicoke.46777>

Audi Queensway | RioCan's "Verge" Condos

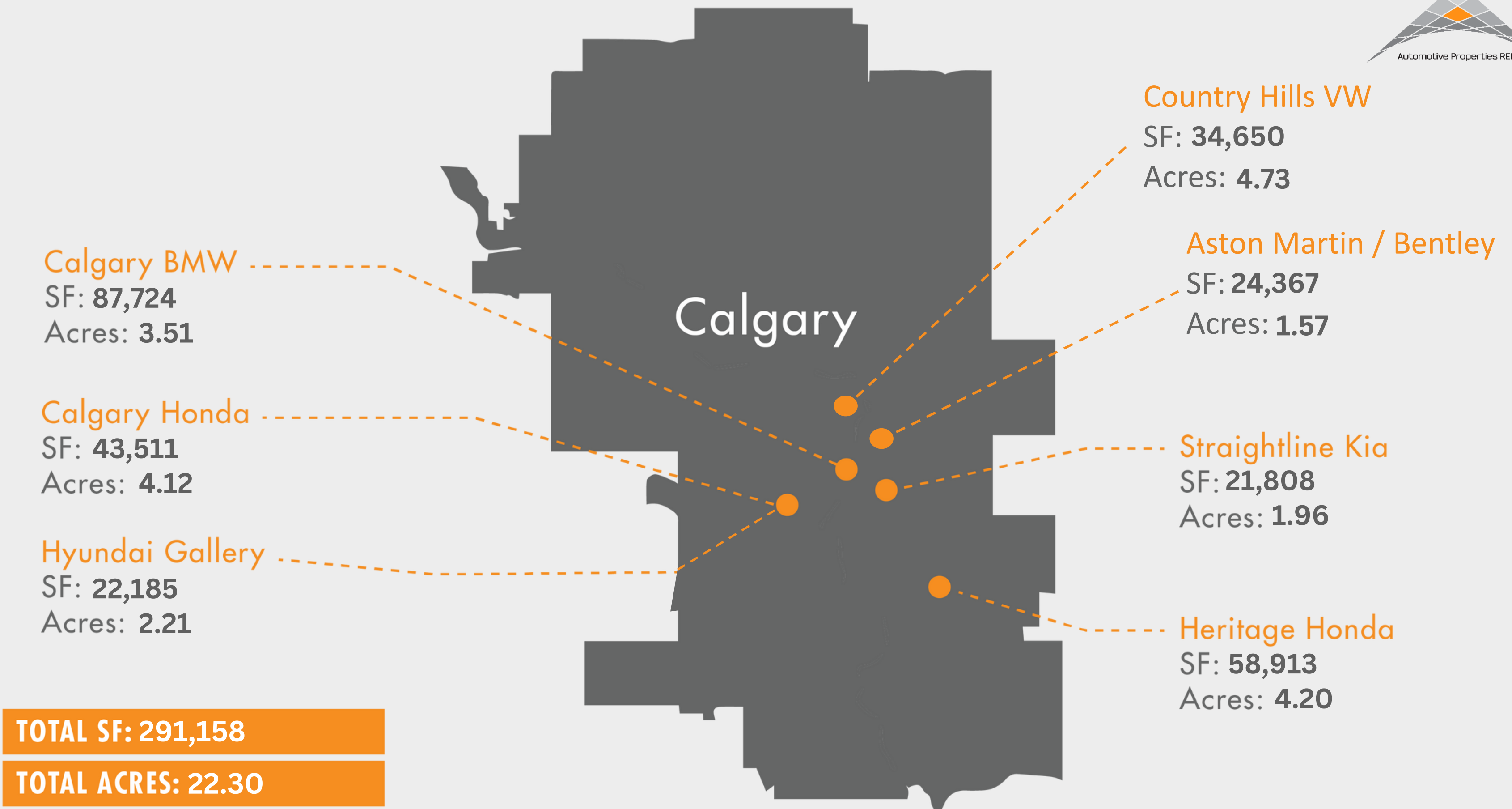


- Four towers of 8-17 storeys atop 2 buildings fronting The Queensway
- Combined 545 condominium units
- 4-minute drive from Mimico Go station



Source: www.RiocanLiving.com

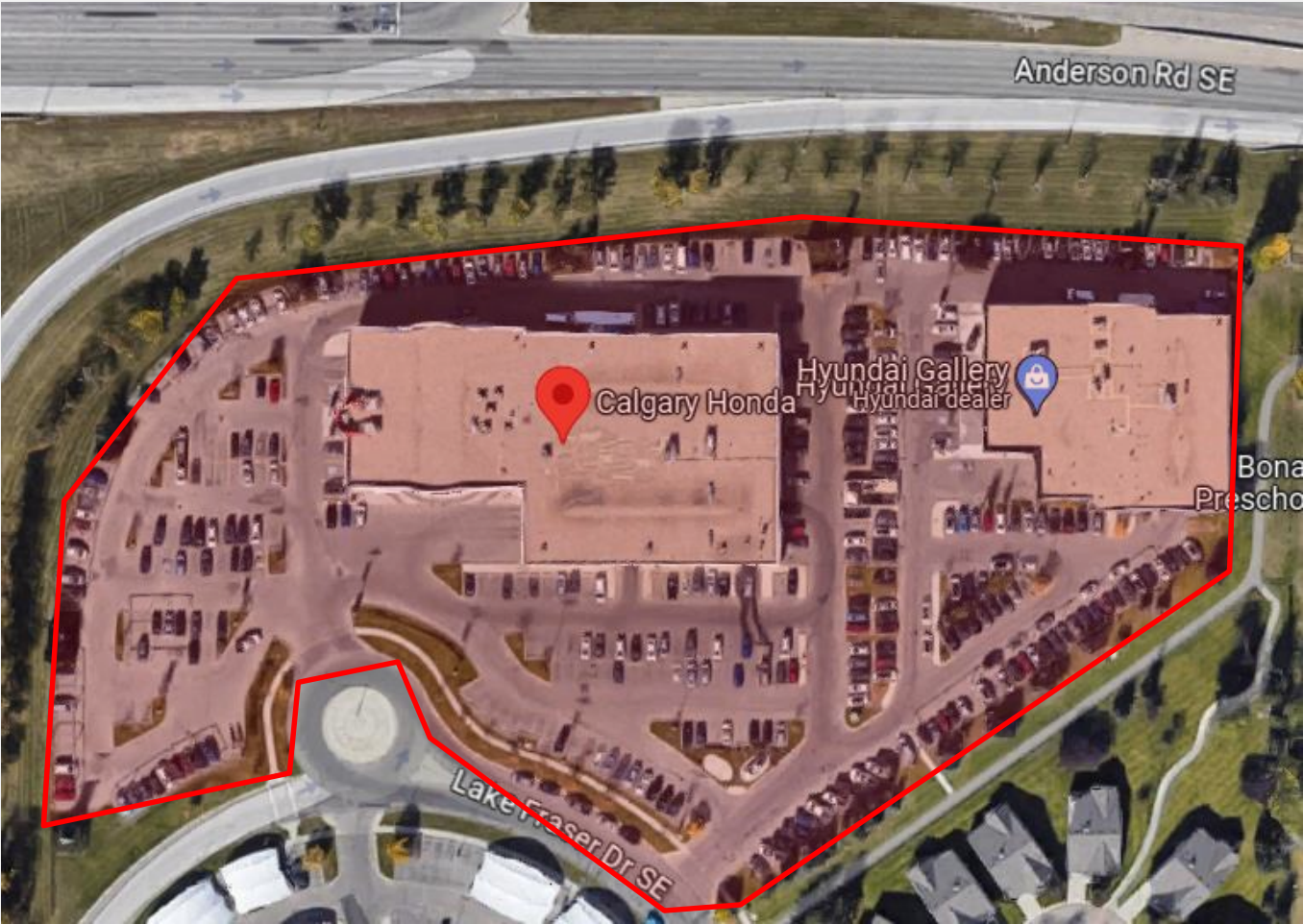
CALGARY PROPERTIES



Calgary Honda & Hyundai Gallery
(Calgary, AB)



Calgary Honda & Hyundai Gallery (Calgary, AB)



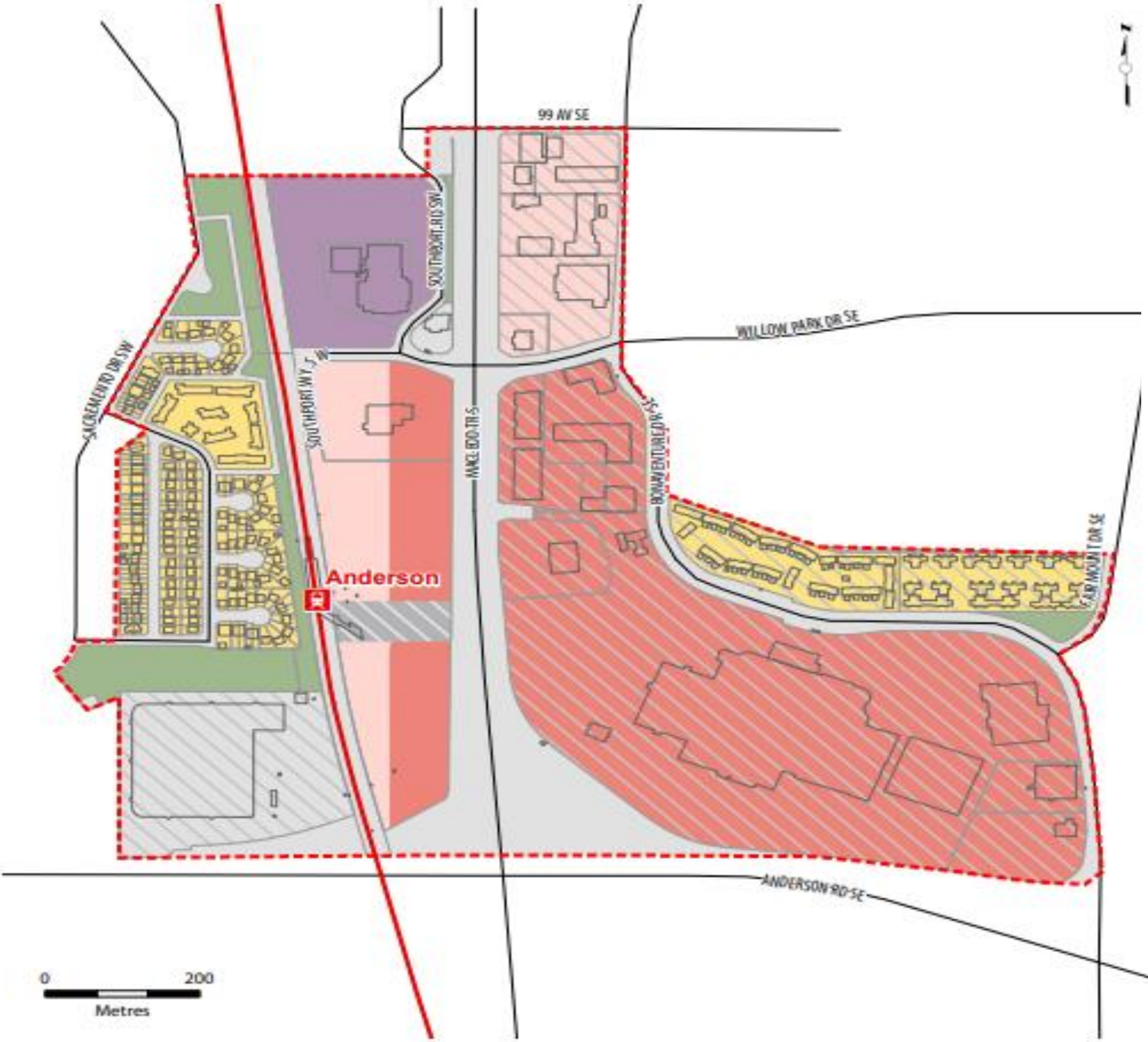
 = LRT Station



City of Calgary - Anderson Station Area Redevelopment Plan



Map 4 | Land Use Concept



Legend

- | | |
|--------------------------------|--------------------------|
| Neighbourhood - Limited | Community - Centre |
| Neighbourhood - Low Rise | Community - High Density |
| Public Plaza | Employment Intensive |
| Future Comprehensive Plan Area | LRT Line |
| Park & Open Space | Anderson LRT Station |
| Plan Area Boundary | |

Located 600 m from Anderson LRT Station (C-train) identified as a primary transit hub by Municipal Development Plan Vision includes higher-density, mixed-use development with pedestrian friendly blocks around the station

VANCOUVER PROPERTIES

North Vancouver Nissan

SF: 19,050

Acres: 1.11

North Shore Acura

SF: 22,373

Acres: 2.40

Burrard Acura

SF: 27,640

Acres: 1.25

Audi Downtown Vancouver

SF: 29,300

Acres: 0.25

Premium Pre-Owned Luxury

SF: 11,800

Acres: 0.27

Porsche Centre Vancouver

SF: 39,790

Acres: 1.56

Abbotsford Volkswagen

SF: 22,921

Acres: 2.00

TOTAL SF: 199,322

TOTAL ACRES: 11.11

Acura of Langley

SF: 26,448

Acres: 2.27

Greater
Vancouver Area

Audi Downtown Vancouver (Vancouver, BC)

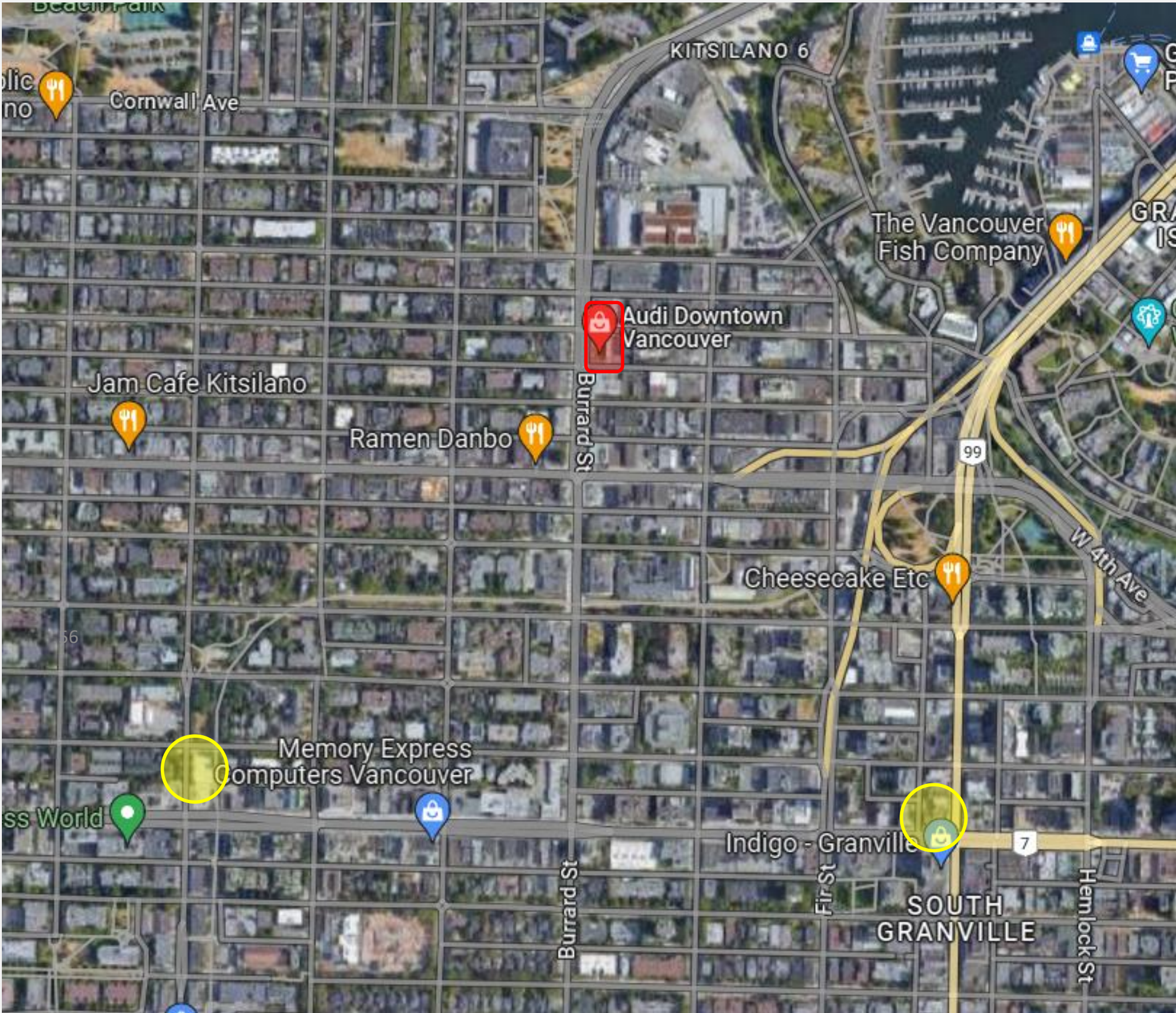


Audi Downtown Vancouver

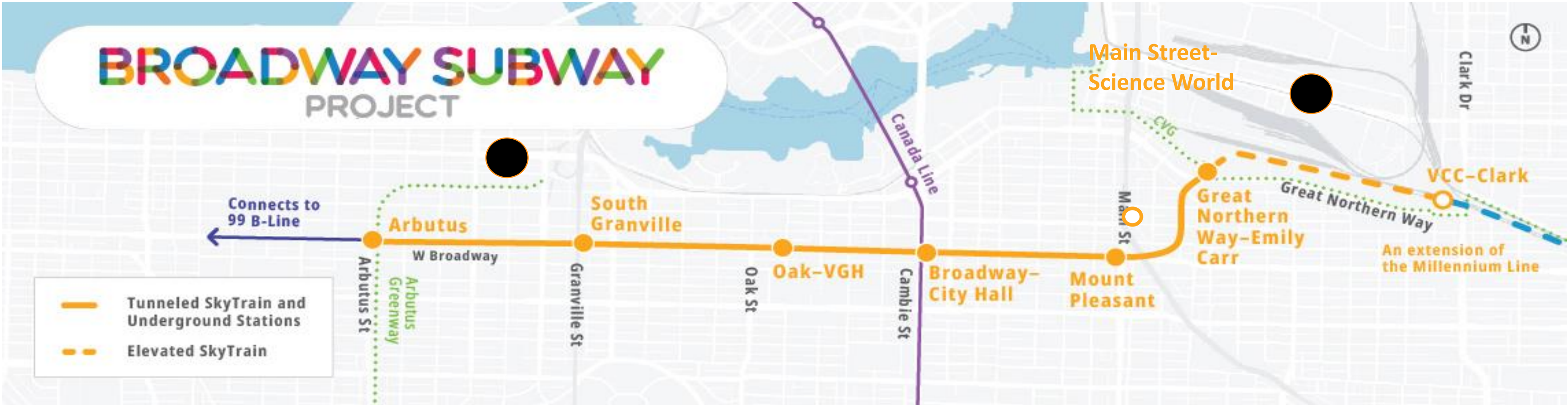
(Vancouver, BC)



 = Future Arbutus Transit Station



Audi Downtown Vancouver – Kitsilano & False Creek Area



● = APR Properties

Source: City of Vancouver – Broadway Subway Project



Concord Pacific 's initial rendering of the 7.6 acre redevelopment of Molson industrial land, at the foot of Burrard bridge.

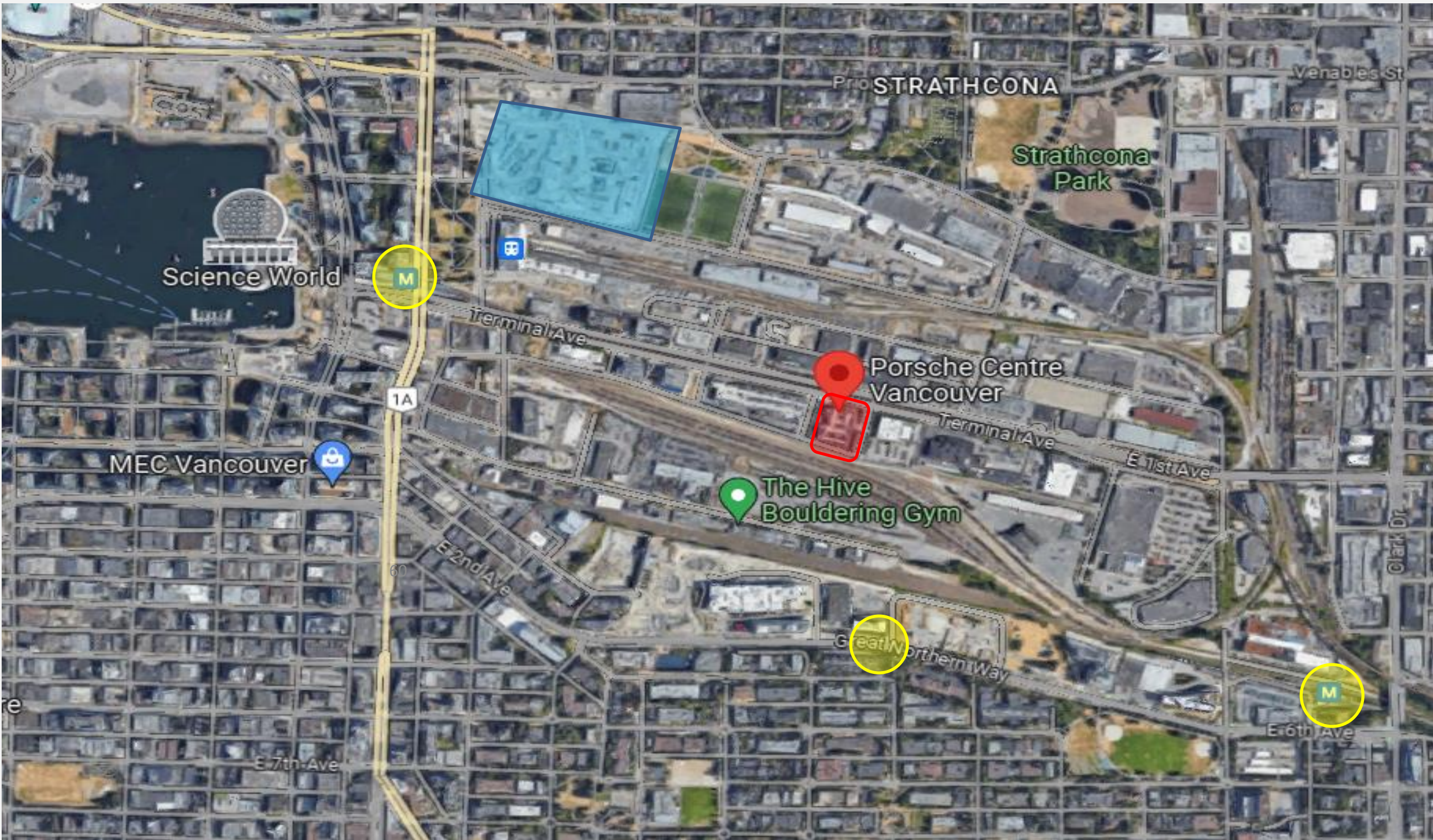
A vision for a 1.8 million-square-foot high-tech enclave that includes 300,000 square feet of office space, 3,000 homes, primarily in a series of towers of up to 25 storeys, plus a retail component.

Source: <https://dailyhive.com/vancouver/quantum-park-concord-pacific-molson-coors-brewery-vancouver-redevelopment>

Porsche Vancouver (Vancouver, BC)



Porsche Vancouver
(Vancouver, BC)



 = Future St. Pauls Hospital  = SkyTrain Terminal

Investment Highlights



- Solid growth in key performance metrics in 2022 & 2023 YTD
- Canadian automotive dealership industry proving its resilience as an essential business with strong sales and service levels
 - Dealers have lowered operating expenses and leveraged e-commerce offerings
- High-quality portfolio of strategically located dealership properties across Canada, representing 33 global manufacturers / brands
- Long-term, triple-net leases with fixed rent escalators or CPI adjustments provide stable, predictable cash flows
- Interest rate swaps and triple-net lease structure reduce the REIT's exposure to interest rate increases
- Pursuing acquisitions on a strategic basis
 - Deployed over \$160 million on property acquisitions since the start of 2022 (including the June 2023 \$16.1 million (\$8.1M APR) acquisition in Brossard, Quebec)
- Current yield supported by essential retail, quality tenants and prime metro land

