



NEWS RELEASE FOR IMMEDIATE DISTRIBUTION

## **BOARDWALK REIT REPORTS STRONG RESULTS THROUGH 2021 AND AN 8% INCREASE TO ITS REGULAR MONTHLY DISTRIBUTION**

### **SUMMARY HIGHLIGHTS FOR THE THREE AND TWELVE-MONTH PERIODS ENDED DECEMBER 31, 2021**

- **STRONG FINANCIAL PERFORMANCE**  
**FOR THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2021**
  - Profit (loss) of \$131.1 million
  - Funds From Operations (FFO) of \$0.75 per Unit<sup>1</sup>; an increase of 11.9%**FOR THE TWELVE-MONTH PERIOD ENDED DECEMBER 31, 2021**
  - Profit (loss) of \$446.3 million
  - FFO of \$2.94 per Unit; an increase of 7.3%
- **SOLID OPERATIONAL RESULTS**
  - Q4 2021 same property Net Operating Income ("NOI")<sup>2</sup> of \$68.1 million; an increase of 3.4%
  - Q4 2021 same property occupancy<sup>2</sup> of 95.85% through COVID fifth wave and seasonally slower period
- **STRONG AND FLEXIBLE FINANCIAL POSITION**
  - Approximately \$306 million of total available liquidity
  - 98% of Boardwalk's mortgages carry CMHC-insurance
  - Unitholders' Equity of \$3.3 billion
  - Net Asset Value of \$66.87 per Unit<sup>1</sup>
- **ACCRETIVE CAPITAL RECYCLING**
  - Completed the sale of previously announced 179-unit non-core asset in Saskatoon, SK for \$25.0 million
  - Completed divestiture of 50% interest in Sandalwood development in Mississauga, ON
  - Invested \$24.0 million in the repurchase and cancellation of 438,400 Trust Units during fourth quarter under normal course issuer bid at volume weighted average price of \$54.85
- **INTRODUCTION OF 2022 FINANCIAL GUIDANCE**
  - FFO range of \$3.03 to \$3.18 per Unit<sup>3</sup>
  - Same property NOI Growth of 3.0% to 7.0%
- **DISTRIBUTION INCREASED 8.0% TO \$1.08 PER TRUST UNIT ON AN ANNUALIZED BASIS**
- **RECOGNIZING OUR STRENGTHENING LEADERSHIP TEAM**
  - Appointment of James Ha as President of Boardwalk REIT
  - Appointment of Leonora Davids as Senior Vice President of Operations

### **CALGARY, AB – February 24, 2022 – Boardwalk Real Estate Investment Trust (TSX: BEI.UN)**

Boardwalk Real Estate Investment Trust ("Boardwalk", the "REIT" or the "Trust") today announced its financial results for the fourth quarter and fiscal 2021.

Sam Kolia; Chairman and Chief Executive Officer of Boardwalk REIT commented: "We are pleased to report on another solid quarter and performance to close out 2021, with solid growth in both FFO and Profit. Our continued strong financial performance is a result

<sup>1</sup> A non-GAAP ratio. For definitions, reconciliations, and the basis of presentation of Boardwalk REIT's non-GAAP measures, refer to *non-GAAP Ratios* in this Earnings Release.

<sup>2</sup> Same property figures exclude un-stabilized properties (properties which have been owned for less than 24 months) and sold assets.

<sup>3</sup> A non-GAAP ratio. Please refer to *non-GAAP Ratios* in this Earnings Release for more information on FFO per Unit Future Financial Guidance.

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of our team's committed focus on finding innovative and efficient ways to attract and retain Resident Members and deliver our exceptional product quality, service, and experience in the place where our Resident Members call home. Boardwalk's diversified product offering has resulted in resilient and growing performance through various economic conditions.

Entering 2022, rental activity was seasonally slow with colder weather, and government restrictions relating to Omicron. Fortunately, Boardwalk's focus on retention resulted in a significant reduction in move-outs, which allowed Boardwalk to maintain strong occupancy through the seasonally slower months of December and January. Our portfolio occupancy of nearly 96% heading into the spring rental season is a positive indicator and we have seen strengthening incentive reductions on lease renewals across our portfolio. New leasing spreads are also positive in all of our markets with the exception of Northern Alberta, which is a market that has the opportunity to gain on occupancy as well as incentive reductions.

With improving housing fundamentals in our core unregulated and affordable markets, Boardwalk is well positioned to continue to deliver strong organic growth and financial performance as reflected by our guidance for this new year."

#### **FOURTH QUARTER & TWELVE-MONTH FINANCIAL HIGHLIGHTS**

<i>\$ millions, except per unit amounts</i>						
<b>Highlights of the Trust's Fourth Quarter 2021 Financial Results</b>						
	<b>3 Months Dec 31, 2021</b>	<b>3 Months Dec 31, 2020</b>	<b>% Change</b>	<b>12 Months Dec 31, 2021</b>	<b>12 Months Dec 31, 2020</b>	<b>% Change</b>
<b><u>Operational Highlights</u></b>						
Rental Revenue	\$ 118.7	\$ 116.5	1.9%	\$ 470.5	\$ 465.6	1.1%
Same Property Rental Revenue	\$ 115.2	\$ 114.0	1.1%	\$ 456.8	\$ 457.6	-0.2%
Net Operating Income (NOI)	\$ 69.0	\$ 65.8	5.0%	\$ 274.3	\$ 269.1	1.9%
Same Property NOI	\$ 68.1	\$ 65.9	3.4%	\$ 271.7	\$ 271.3	0.1%
Operating Margin <sup>1</sup>	58.1%	56.4%		58.3%	57.8%	
Same Property Operating Margin	59.1%	57.8%		59.5%	59.3%	
<b><u>Financial Highlights</u></b>						
Funds From Operations (FFO) <sup>2</sup>	\$ 38.3	\$ 34.3	11.8%	\$ 150.2	\$ 139.7	7.5%
Adjusted Funds From Operations (AFFO) <sup>3</sup>	\$ 31.2	\$ 25.5	22.5%	\$ 117.9	\$ 104.9	12.4%
Profit (loss) <sup>3</sup>	\$ 131.1	\$ (188.4)	169.6%	\$ 446.3	\$ (197.3)	326.2%
FFO per Unit (includes \$0.02 of retirement costs in YTD 2021)	\$ 0.75	\$ 0.67	11.9%	\$ 2.94	\$ 2.74	7.3%
AFFO per Unit (includes \$0.02 of retirement costs in YTD 2021)	\$ 0.61	\$ 0.50	22.0%	\$ 2.31	\$ 2.06	12.1%
Profit (loss) per Trust Unit	\$ 2.82	\$ (4.05)	169.7%	\$ 9.59	\$ (4.24)	326.2%
<b><u>Equity</u></b>						
Unitholder's Equity				\$ 3,253,178	\$ 2,876,449	
<b><u>Net Asset Value</u></b>						
Net asset value <sup>3</sup>				\$ 3,412,130	\$ 2,933,974	
Net asset value per diluted unit <sup>4</sup>				\$ 66.87	\$ 57.49	

<sup>1</sup> Operating margin is calculated by dividing NOI by Rental Revenue allowing management to assess the percentage of rental revenue which generated profit.

<sup>2</sup> A non-GAAP financial measure. For definitions, reconciliations, and the basis of presentation of Boardwalk REIT's non-GAAP measures, refer to *Non-GAAP Financial Measures* in this Earnings Release.

<sup>3</sup> Profit (loss) as defined by IFRS includes the changes in assets and/or liabilities carried at fair value three and twelve months ended December 31, 2021.

<sup>4</sup> A non-GAAP ratio. For definitions, reconciliations, and the basis of presentation of Boardwalk REIT's non-GAAP measures, refer to *Non-GAAP Ratios* in this Earnings Release.

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The Trust's IFRS fair value of its investment properties, for the year ended December 31, 2021, increased from the prior year primarily as a result of adjustments to capitalization rates ("cap rates") in several of the Trust's markets reflecting extremely strong demand for multi-family product. The Trust also increased market rents in a number of its communities and lowered vacancy assumptions in select markets reflecting improving rental fundamentals.

Continued Highlights of the Trust's Fourth Quarter 2021 Financial Results						
	3 Months Dec 31, 2021	3 Months Dec 31, 2020	% Change	12 Months Dec 31, 2021	12 Months Dec 31, 2020	% Change
<b>Liquidity, Debt and Distributions</b>						
Cash and cash equivalents				\$ 64,300		
Subsequent committed/funded financing				\$ 42,200		
Unused committed revolving credit facility				\$ 199,800		
Total Available Liquidity				\$ 306,300		
Total mortgage principal outstanding	\$ 3,088,978	\$ 3,004,086		\$ 3,088,978	\$ 3,004,086	
Interest Coverage Ratio (Rolling 4 quarters)	2.97	2.79		2.97	2.79	
Regular Distributions Declared (Trust Units & LP Class B Units)	\$ 12.7	\$ 12.8	-0.3%	\$ 51.0	\$ 51.0	0.0%
Regular Distributions Declared Per Unit (Trust Units & LP Class B Units)	\$ 0.250	\$ 0.250	0.0%	\$ 1.001	\$ 1.001	0.0%
FFO Payout Ratio <sup>1</sup>	33.2%	37.3%		34.0%	36.5%	
Stabilized Apartment Suites				32,706	32,909	
Un-Stabilized Suites				558	487	
Total Apartment Suites				33,264	33,396	

## SOLID OPERATIONAL RESULTS

Portfolio Highlights for the Fourth Quarter of 2021			
		Dec-21	Dec-20
Average Occupancy (Quarter Average) <sup>2</sup>		95.85%	95.71%
Average Monthly Rent (Period Ended)	\$	1,153	\$ 1,132
Average Market Rent (Period Ended) <sup>3</sup>	\$	1,350	\$ 1,330
Average Occupied Rent (Period Ended) <sup>4</sup>	\$	1,203	\$ 1,189
Loss-to-Lease (Period Ended) (\$ millions)	\$	55.6	\$ 53.5
Loss-to-Lease Per Trust Unit (Period Ended)	\$	1.09	\$ 1.05

<sup>1</sup> A non-GAAP ratio. For definitions, reconciliations, and the basis of presentation of Boardwalk REIT's non-GAAP measures, refer to *Non-GAAP Ratios* in this Earnings Release.

<sup>2</sup> Average occupancy is adjusted to be on a same property basis.

<sup>3</sup> Market rent is a component of rental revenue as calculated in accordance with IFRS and is calculated as of the first day of each month as the average rental revenue amount a willing landlord might reasonably expect to receive, and a willing tenant might reasonably expect to pay, for a tenancy, before adjustments for other rental revenue items such as incentives, vacancy loss, fees, specific recoveries, and revenue from commercial tenants.

<sup>4</sup> Occupied rent is a component of rental revenue as calculated in accordance with IFRS and is calculated for occupied units as of the first day of each month as the average rental revenue, adjusted for other rental revenue items such as fees, specific recoveries, and revenue from commercial tenants.

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	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22
<b>Same Property Portfolio Occupancy<sup>12</sup></b>	94.8%	94.7%	95.0%	95.7%	96.0%	96.0%	95.9%	96.1%	96.2%	96.1%	95.7%	95.7%	95.6%	95.5%

The Trust maintained high occupancy compared to the same period a year ago by focusing on gaining market share and retention. Market rents were increased in communities within some of the Trust's markets where rental market fundamentals continue to tighten while average occupied rent increased sequentially and when compared to the same period a year ago as the Trust focuses on reducing incentives on lease renewals.

For the year, a same property revenue decrease of 0.2% combined with operating expense decrease of 0.6%, resulted in same property NOI growth of 0.1%. Most of Boardwalk's markets contributed positively to this NOI growth through revenue optimization and controllable operating expense innovation.

For the fourth quarter, lower property taxes compared to the prior year supported Boardwalk's Edmonton and Calgary portfolios' increase in same property NOI of 1.8% and 6.6%, respectively. In Calgary, same property revenue growth was a positive contributor to NOI while in Edmonton positive leasing spreads on renewals set the foundation for positive leasing spreads on new leases as the market absorbs vacancy. Saskatchewan's market continues to improve with the Trust's portfolio realizing 14.6% same property NOI growth in the fourth quarter of 2021 versus the same period last year, as a result of strong same property revenue growth and significant reductions in both controllable and non-controllable expenses. The Trust's Ontario market continues to deliver stable results with high occupancy and mark-to-market opportunity on turnover contributing to same property NOI growth of 3.4%, in the fourth quarter of 2021 compared to the fourth quarter of 2020. In Quebec, increases in non-controllable expenses such as property taxes, utilities and insurance more than offset positive same property revenue growth resulting in same property NOI decrease of 2.8% in the fourth quarter of 2021 compared to the fourth quarter of 2020.

Overall, in the fourth quarter, same property revenue growth of 1.1%, paired with a reduction in operating expenses of 2.1% resulted in portfolio same property NOI growth of 3.4%, compared to the same period in 2020.

Dec 31 2021 - 3 M	# of Units	% Rental Revenue Growth	% Total Rental Expenses Growth	% Net Operating Income Growth	% of NOI
Edmonton	12,882	(0.5)%	(3.0)%	1.8%	34.8%
Calgary	5,798	1.5%	(6.7)%	6.6%	22.0%
Red Deer	939	1.0%	(6.5)%	7.9%	2.4%
Grande Prairie	645	(2.5)%	(2.5)%	(2.6)%	1.4%
Fort McMurray	352	0.9%	7.3%	(3.5)%	1.0%
Alberta	20,616	0.2%	(4.1)%	3.5%	61.6%
Quebec	6,000	0.8%	7.6%	(2.8)%	19.0%
Saskatchewan	3,505	4.3%	(8.9)%	14.6%	11.6%
Ontario	2,585	4.5%	6.4%	3.4%	7.8%
	32,706	1.1%	(2.1)%	3.4%	100.0%

<sup>1</sup> Same property figures exclude un-stabilized properties and sold assets.

<sup>2</sup> Occupancy as of the 1<sup>st</sup> day of the month.



Dec 31 2021 - 12 M	# of Units	% Rental Revenue Growth	% Total Rental Expenses Growth	% Net Operating Income Growth	% of NOI
Edmonton	12,882	(2.7)%	(1.0)%	(4.0)%	35.3%
Calgary	5,798	(0.1)%	(1.7)%	0.7%	21.5%
Red Deer	939	(1.3)%	(3.5)%	0.7%	2.3%
Grande Prairie	645	(3.4)%	(4.2)%	(2.7)%	1.5%
Fort McMurray	352	(1.0)%	3.6%	(4.4)%	1.0%
Alberta	20,616	(1.8)%	(1.3)%	(2.2)%	61.6%
Quebec	6,000	1.4%	2.1%	1.0%	19.8%
Saskatchewan	3,505	3.9%	(2.9)%	9.0%	11.0%
Ontario	2,585	5.4%	4.5%	6.1%	7.6%
	32,706	(0.2)%	(0.6)%	0.1%	100.0%

### **STRONG LIQUIDITY POSITION WITH ACCESS TO LOW INTEREST RATES**

The Trust utilized the low interest rate environment in 2021 to renew and refinance its mortgage maturities at interest rates well below the maturing rates. In 2021, Boardwalk renewed its maturing mortgages at a weighted average interest rate of 1.75%, 77 basis points below the maturing rate average of 2.52%<sup>1</sup>.

In 2022, the Trust anticipates \$445.2 million of mortgages payable maturing with an average in-place interest rate of 2.67%. Current market 5 and 10-year CMHC financing rates are estimated to be 2.50% and 2.80%, respectively, providing a positive interest cost savings opportunity with medium duration mortgages. To date, the Trust has forward-locked or renewed the interest rate on \$41.6 million or 9% of its maturing mortgages in 2022 at an average interest rate of 2.44%.

### **ACCRETIVE CAPITAL RECYCLING**

The Trust remains committed to re-investing retained cashflow and the net proceeds from the sale of non-core assets toward opportunities that are both accretive to FFO per Unit in the near-term and significantly enhance the NAV per Unit of the Trust over the intermediate term.

During the year, the Trust completed the sale of three non-core assets, two in Edmonton and one in Saskatoon. The Trust also completed the sale of its 50% interest in the Sandalwood development in Mississauga during the fourth quarter.

As previously announced, on December 15, 2021, the Trust completed the sale of a 179-unit, non-core asset in Saskatoon. *Reid Park Estates* is a three-storey walk-up building. The sale price of \$25.0 million, equating to a cap rate of approximately 5.0% on as-is net operating income or \$139,700 per door, was slightly above the Trust's fair value of the asset prior to the sale. Net proceeds from the sale were approximately \$12.1 million. The disposition of the two non-core assets in Edmonton were in line with or above the Trust's fair value and generating net proceeds of approximately \$14.9 million. Earlier in the year, the Trust acquired two assets during the second quarter that align with its long-term objectives of accretive geographic expansion in well-located, undersupplied markets. *Aurora*, in Victoria, BC, and *Mountainview Estates*, in Banff, AB, total 195 units and were purchased for a combined price of \$72.3 million in two separate transactions.

During the fourth quarter, the Trust announced that it received approval from the Toronto Stock Exchange (the "TSX") to commence a normal course issuer bid ("NCIB"). The Trust continues to view its own portfolio as offering un-paralleled value in the multi-family sector and believes its current unit price represents an attractive opportunity for re-investment. During the fourth quarter, the Trust re-purchased 438,400 Trust Units at a volume-weighted average price of \$54.85 for a total price of approximately \$24.0 million.

<sup>1</sup> Excludes Reid Park Estates, which was divested in December.

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## **2022 FINANCIAL GUIDANCE**

As is customary with the Trust's fourth quarter disclosure, Boardwalk is introducing its 2022 outlook and financial guidance.

The Trust's current outlook is for a continuation of the positive growth trend across its portfolio. This growth is anticipated to be tempered partially by anticipated increases in certain non-controllable operating expenses such as property taxes, insurance costs, and utilities.

Overall, the Trust is providing its 2022 financial guidance as follows:

	<b>2022 Guidance</b>	<b>2021 Actual (in \$ millions except per unit)</b>
Same-Property NOI Growth	<b>+3.0% to +7.0%</b>	0.1%
Profit (loss)	<b>N/A</b>	446,267
FFO <sup>(1)</sup>	<b>N/A</b>	150,207
AFFO <sup>(1)(3)</sup>	<b>N/A</b>	117,290
FFO Per Unit <sup>(2)</sup>	<b>\$3.03 to \$3.18</b>	\$2.94
AFFO Per Unit <sup>(2)(3)</sup>	<b>\$2.39 to \$2.54</b>	\$2.31

(1) A non-GAAP financial measure. For definitions, reconciliations, and the basis of presentation of Boardwalk REIT's non-GAAP measures, refer to *Non-GAAP Financial Measures* in this Earnings Release.

(2) A non-GAAP ratio. For definitions, reconciliations, and the basis of presentation of Boardwalk REIT's non-GAAP measures, refer to *Non-GAAP Ratios* in this Earnings Release.

(3) Utilizing a Maintenance CAPEX expenditure of \$965/suite/year

The reader is cautioned that this information is forward-looking and actual results may vary from those forecasted. The Trust reviews the assumptions used to derive its forecast quarterly, and based on this review, may adjust its outlook accordingly.

## **FOURTH QUARTER REGULAR MONTHLY DISTRIBUTION ANNOUNCEMENT**

In addition to the Trust's previously confirmed regular monthly distribution for the month of February 2022 of \$0.0834 per Trust Unit, Boardwalk is confirming and increasing its monthly cash distribution for the months of March 2022, and April 2022 by 8.0% equating to \$0.09 per Trust Unit or \$1.08 per Trust Unit on an annualized basis. A summary of Boardwalk's distributions for the months of February, March and April 2022 can be found below:

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Month	Per Unit	Annualized	Record Date	Distribution Date
February 2022	\$ 0.0834	\$ 1.00	28-Feb-22	15-Mar-22
<b>March 2022</b>	<b>\$ 0.0900</b>	<b>\$ 1.08</b>	<b>31-Mar-22</b>	<b>15-Apr-22</b>
<b>April 2022</b>	<b>\$ 0.0900</b>	<b>\$ 1.08</b>	<b>29-Apr-22</b>	<b>16-May-22</b>

In line with Boardwalk’s distribution policy of maximum re-investment, the Trust’s payout ratio remains conservative at 33.2% of Q4 2021 FFO; and 34.0% of the last 12 months FFO.

Boardwalk’s regular monthly distribution provides a stable and attractive yield for the Trust’s unitholders.

### **RECOGNIZING OUR STRENGTHENING LEADERSHIP TEAM**

Boardwalk and its Board of Trustees is proud to announce the appointment of Mr. James Ha as our new President of Boardwalk REIT.

In addition, the Trust is proud to announce the appointment of Ms. Leonora Davids to Senior Vice President of Operations.

Since joining Boardwalk in 2007, Mr. James Ha has assumed a myriad of leadership roles and responsibilities ranging from: finance, treasury, capital markets, investor relations, acquisitions, investments, strategic partnerships, revenue optimization and corporate strategy, all of which have played a significant role in Boardwalk’s overall success and growth.

Sam Kalias, Chairman and CEO of Boardwalk commented, “We have had the great pleasure of working closely with James over the past several years and am excited to partner with him in leading our extraordinary performance focused team. James has strong relationships with our investor community, capital partners, and team of associates, combined with his unique ability to innovate, drive growth, and performance makes him the ideal candidate. This appointment positions us for success in achieving our strategic growth objectives”

Concurrently, Ms. Leonora Davids appointment to Senior Vice President, Operations is a reflection of her operational excellence and expertise. With over 23 years of property management experience, Ms. Davids strong and unmatched leadership, has contributed to the overall success and performance of her teams. Ms. Davids began her career as a Resident Manager in one of Boardwalk’s communities in Calgary in 1999, and since, has progressively grown her responsibilities with her most recent role as Vice President of Operations for the Trust.

Sam Kalias, Chairman and CEO of Boardwalk commented “Leonora’s advice, guidance, and expertise in operations has been paramount to Boardwalk’s success in both strong and challenging economic periods. As Senior Vice President, Leonora will provide leadership in further expanding the depth of our operational team, building additional strong leaders who are committed to our approach of providing our Resident Members with the best product quality, service and experience.”

Mr. Kalias added, “These recent appointments reflect Boardwalk’s ongoing commitment to recognizing, diversifying, and strengthening our leadership team who inspire a compassionate performance-based culture that builds a future of belonging for all of our Associates and Resident Members. We believe that our core strength is and will always remain our people and will continue to strategically align our team to support future growth goals.”

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### **THIRD ANNUAL ESG REPORT**

The Trust is, and continues to be, committed to environmental, social and governance (“ESG”) objectives and initiatives, including working towards reducing greenhouse gas emissions and electricity and natural gas consumption, water conservation, waste minimization, and a continued focus on governance and oversight. Boardwalk anticipates publishing its third annual ESG report in March. The ESG report, along with the Trust’s Annual report, will be available digitally on Boardwalk’s website and under the Trust’s profile at [www.sedar.com](http://www.sedar.com). The Trust is excited to share an update and progress in reporting on its ESG initiatives and improvements.

### **FINANCIAL AND SUPPLEMENTARY INFORMATION**

Boardwalk produces quarterly financial statements, management’s discussion and analysis, and a supplemental information package that provides detailed information regarding the Trust’s activities during the quarter. Financial and supplementary information is available on Boardwalk’s investor website at [www.bwalk.com/investors](http://www.bwalk.com/investors).

### **TELECONFERENCE ON FOURTH QUARTER 2021 FINANCIAL RESULTS**

Boardwalk invites you to participate in the teleconference that will be held to discuss these results tomorrow morning (February 25, 2022) at 11:00 am Eastern Time. Senior management will speak to the period’s results and provide an update. Presentation materials will be made available on Boardwalk’s investor website at [www.bwalk.com/investors](http://www.bwalk.com/investors) prior to the call.

**Teleconference:** The telephone numbers for the conference are 416-764-8650 (local/international callers) or toll-free 1-888-664-6383 (within North America).

Note: Please provide the operator with the below Conference Call ID or Topic when dialing in to the call.

Conference ID: 59564101

Topic: Boardwalk Real Estate Investment Trust, 2021 Fourth Quarter Results

**Webcast:** Investors will be able to listen to the call and view Boardwalk’s slide presentation by visiting [www.bwalk.com/investors](http://www.bwalk.com/investors) prior to the start of the call.

An information page will be provided for any software needed and system requirements. The webcast and slide presentation will also be available at:

[Boardwalk REIT Fourth Quarter Results Webcast Link](#)

Replay: An audio recording of the teleconference will be available on the Trust’s website:

[www.bwalk.com/investors](http://www.bwalk.com/investors)

### **CORPORATE PROFILE**

Boardwalk REIT strives to be Canada’s friendliest community provider and is a leading owner/operator of multi-family rental communities. Providing homes in more than 200 communities, with over 33,000 residential units totaling over 28 million net rentable square feet, Boardwalk has a proven long-term track record of building better communities, where love always lives<sup>tm</sup>. Our three-tiered and distinct brands: Boardwalk Living, Boardwalk Communities, and Boardwalk Lifestyle, cater to a large diverse demographic and has evolved to capture the life cycle of all Resident Members. Boardwalk’s disciplined approach to capital allocation, acquisition, development, purposeful re-positioning, and management of apartment communities allows the Trust to provide its brand of

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community across Canada creating exceptional Resident Member experiences. Differentiated by its peak performance culture, Boardwalk is committed to delivering exceptional service, product quality and experience to our Resident Members who reward us with high retention and market leading operating results, which in turn, lead to higher free cash flow and investment returns, stable monthly distributions, and value creation for all our stakeholders.

Boardwalk REIT's Trust units are listed on the Toronto Stock Exchange, trading under the symbol BEI.UN. Additional information about Boardwalk REIT can be found on the Trust's website at [www.bwalk.com/investors](http://www.bwalk.com/investors).

## **NON-GAAP FINANCIAL MEASURES**

Boardwalk believes non-GAAP financial measures are meaningful and useful measures of real estate organizations operating performance, however, are not measures defined by IFRS. As they do not have standardized meanings prescribed by IFRS, they therefore may not be comparable to similar measurements presented by other entities and should not be construed as an alternative to IFRS defined measures. Below are the non-GAAP financial measures referred to in this earnings release.

### *Funds From Operations*

The IFRS measurement most comparable to FFO is profit (loss). Boardwalk REIT considers FFO to be an appropriate measurement of the performance of a publicly listed multi-family residential entity as it is the most widely used and reported measure of real estate investment trust performance. Profit (loss) includes items such as fair value changes of investment property that are subject to market conditions and capitalization rate fluctuations which are not representative of recurring operating performance. We define FFO as adjustments to profit (loss) for fair value gains or losses, distributions on the LP Class B Units, gains or losses on the sale of the Trust's investment properties, depreciation, deferred income tax, and certain other non-cash adjustments, if any, but after deducting the principal repayment on lease liabilities and adding the principal repayment on lease receivables. The reconciliation from profit (loss) under IFRS to FFO can be found below. The Trust uses FFO to assess operating performance and its distribution paying capacity, determine the level of Associate incentive-based compensation, and decisions related to investment in capital assets. To facilitate a clear understanding of the combined historical operating results of Boardwalk REIT, management of the Trust believes FFO should be considered in conjunction with profit (loss) as presented in the audited annual consolidated financial statements for the years ended December 31, 2021 and 2020.

FFO Reconciliation	3 Months Dec 31, 2021	3 Months Dec 31, 2020	% Change	12 Months Dec 31, 2021	12 Months Dec 31, 2020	% Change
In \$000's, except per Unit amounts						
Profit (loss)	\$ 131,140	\$ (188,435)		\$ 446,267	\$ (197,279)	
<b>Adjustments</b>						
Adjustment to right-of-use asset related to lease receivable	-	-		-	159	
Loss on sale of assets	1,116	532		1,953	1,136	
Fair value (gains) losses	(96,406)	219,111		(307,002)	326,134	
LP Class B Unit distributions	1,119	1,120		4,479	4,479	
Income tax (recovery) expense	(32)	258		(110)	(72)	
Depreciation	2,189	2,259		7,809	8,195	
Principal repayments on lease liabilities	(977)	(732)		(3,841)	(3,465)	
Principal repayments on lease receivable	167	155.00		652	449	
FFO	\$ 38,316	\$ 34,268	11.8%	\$ 150,207	\$ 139,736	7.5%
FFO per Unit	\$ 0.75	\$ 0.67	11.9%	\$ 2.94	\$ 2.74	7.3%

### *Adjusted Funds From Operations*

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Similar to FFO, the IFRS measurement most comparable to AFFO is profit (loss). Boardwalk REIT considers AFFO to be an appropriate measurement of a publicly listed multi-family residential entity as it measures the economic performance after deducting for maintenance capital expenditures to the existing portfolio of investment properties. AFFO is determined by taking the amounts reported as FFO and deducting what is commonly referred to as “Maintenance Capital Expenditures”. Maintenance Capital Expenditures are referred to as expenditures that, by standard accounting definition, are accounted for as capital in that the expenditure itself has a useful life in excess of the current financial year and maintains the value of the related assets. The reconciliation of AFFO can be found below. The Trust uses AFFO to assess operating performance and its distribution paying capacity, and decisions related to investment in capital assets.

(000's)	3 Months Dec 31, 2021	3 Months Dec 31, 2020	12 Months Dec 31, 2021	12 Months Dec 31, 2020
FFO	\$ 38,316	\$ 34,268	\$ 150,207	\$ 139,736
Maintenance Capital Expenditures	7,091	8,781	32,287	34,799
AFFO	\$ 31,225	\$ 25,487	\$ 117,920	\$ 104,937

#### *Adjusted Real Estate Assets*

The IFRS measurement most comparable to Adjusted Real Estate Assets is investment properties. Adjusted Real Estate Assets is comprised of investment properties, equity accounted investment, and cash and cash equivalents. Adjusted Real Estate Assets is useful in summarizing the real estate assets owned by the Trust and it is used in the calculation of NAV, which management of the Trust believes is a useful measure in estimating the entity’s value. The reconciliation from Investment Properties under IFRS to Adjusted Real Estate Assets can be found on the following page, under Net Asset Value.

#### *Adjusted Real Estate Debt*

The IFRS measurement most comparable to Adjusted Real Estate Debt is mortgages payable. Adjusted Real Estate Debt is comprised of total mortgage principal outstanding, total lease liabilities attributable to land leases, and construction loan payable. It is useful in summarizing the Trust's debt which is attributable to its real estate assets and is used in the calculation of NAV, which management of the Trust believes is a useful measure in estimating the entity’s value. The reconciliation from Mortgages Payable under IFRS to Adjusted Real Estate Debt can be found below under Net Asset Value.

#### *Net Asset Value*

The IFRS measurement most comparable to NAV is Unitholders’ Equity. With real estate entities, NAV is the total value of the entity’s investment properties and cash minus the total value of the entity’s debt. The Trust determines NAV by taking Adjusted Real Estate Assets and subtracting Adjusted Real Estate Debt, which management of the Trust believes is a useful measure in estimating the entity’s value. The reconciliation from Unitholders’ Equity under IFRS to Net Asset Value is below.

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	Dec 31, 2021	Dec 31, 2020
Investment properties	\$ 6,492,969	\$ 5,948,955
Equity accounted investment	41,118	34,967
Cash and cash equivalents	64,300	52,960
Adjusted Real Estate Assets	\$ 6,598,387	\$ 6,036,882
Total mortgage principal outstanding	\$ (3,088,978)	\$ (3,004,086)
Total lease liabilities attributable to land leases	(76,092)	(77,635)
Construction loan payable	(21,187)	(21,187)
Adjusted Real Estate Debt	\$ (3,186,257)	\$ (3,102,908)
Net Asset Value	\$ 3,412,130	\$ 2,933,974
Net Asset Value per Unit	\$ 66.87	\$ 57.49

Reconciliation of Unitholders' Equity to Net Asset Value	Dec 31, 2021	Dec 31, 2020
Unitholders' equity	\$ 3,253,178	\$ 2,876,449
Total assets	(6,660,653)	(6,107,744)
Investment properties	6,492,969	5,948,955
Equity accounted investment	41,118	34,967
Cash and cash equivalents	64,300	52,960
Total liabilities	3,407,475	3,231,295
Total mortgage principal outstanding	(3,088,978)	(3,004,086)
Total lease liabilities attributable to land leases <sup>(1)</sup>	(76,092)	(77,635)
Construction loan payable	(21,187)	(21,187)
Net Asset Value	\$ 3,412,130	\$ 2,933,974

(1) Total lease liability attributable to land leases is a component of lease liabilities as calculated in accordance with IFRS.

## **Non-GAAP RATIOS**

The discussion below outlines the non-GAAP ratios used by the Trust. Each non-GAAP ratio has a non-GAAP financial measure as one or more of its components, and, as a result, do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar financial measurements presented by other entities. Non-GAAP financial measures should not be construed as alternatives to IFRS defined measures.

### *FFO per Unit, AFFO per Unit, and NAV per Unit*

FFO per Unit includes the non-GAAP financial measure FFO as a component in the calculation. The Trust uses FFO per Unit to assess operating performance on a per Unit basis, as well as determining the level of Associate incentive-based compensation.

AFFO per Unit includes the non-GAAP financial measure AFFO as a component in the calculation. The Trust uses AFFO per Unit to assess operating performance on a per Unit basis and its distribution paying capacity.

NAV per Unit includes the non-GAAP financial measure NAV in its composition. Management of the Trust believes it is a useful measure in estimating the entity's value on a per Unit basis, which an investor can compare to the entity's Trust Unit price which is publicly traded to help with investment decisions.

FFO per Unit, AFFO per Unit, and NAV per Unit are calculated by taking the non-GAAP ratio's corresponding non-GAAP financial measure and dividing by the weighted average Trust Units outstanding on a fully diluted basis, which assumes conversion of the LP Class B Units and deferred units determined in the calculation of diluted per Unit amounts in accordance with IFRS.

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#### *FFO per Unit Future Financial Guidance*

FFO per Unit Future Financial Guidance is calculated as FFO Future Financial Guidance divided by the Trust Units and LP Class B Units outstanding as at the end of the fiscal year. Boardwalk REIT considers FFO per Unit Future Financial Guidance to be an appropriate measurement of the estimated future financial performance based on information currently available to management of the Trust at the date of this earnings release.

#### *AFFO per Unit Future Financial Guidance*

AFFO per Unit Future Financial Guidance is calculated as AFFO Future Financial Guidance divided by the Trust Units and LP Class B Units outstanding as at the end of the fiscal year. Boardwalk REIT considers AFFO per Unit Future Financial Guidance to be an appropriate measurement of the estimated future profitability based on information currently available to management of the Trust at the date of this earnings release.

#### *FFO Payout Ratio*

FFO Payout Ratio represents the REIT's ability to pay distributions. This non-GAAP ratio is computed by dividing regular distributions paid on the Trust Units and LP Class B Units by the non-GAAP financial measure of FFO.

#### **CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS**

*Information in this news release that is not current or historical factual information may constitute forward-looking statements and information (collectively, "forward-looking statements") within the meaning of securities laws. The use of any of the words "expect", "anticipate", "may", "will", "should", "believe", "intend" and similar expressions are intended to identify forward-looking statements. Forward-looking statements contained in this press release include Boardwalk's financial guidance for fiscal 2022, expected distributions for February, March, and April 2022, and accretive capital recycling opportunities. Implicit in these forward-looking statements, particularly in respect of Boardwalk's objectives for its current and future periods, Boardwalk's strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, assumptions, intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations are estimates and assumptions subject to risks and uncertainties, including those described in its Management's Discussion & Analysis of Boardwalk under the heading "Risk and Risk Management", which could cause Boardwalk's actual results to differ materially from the forward-looking statements contained in this news release. Specifically, Boardwalk has made assumptions surrounding the impact of economic conditions in Canada and globally including as a result of the COVID-19 pandemic, Boardwalk's future growth potential, prospects and opportunities, the rental environment compared to several years ago, relatively stable interest costs, access to equity and debt capital markets to fund (at acceptable costs), the future growth program to enable the Trust to refinance debts as they mature, the availability of purchase opportunities for growth in Canada, general industry conditions and trends, changes in laws and regulations including, without limitation, changes in tax laws, mortgage rules and other temporary legislative changes in light of the COVID-19 pandemic, increased competition, the availability of qualified personnel, fluctuations in foreign exchange or interest rates, and stock market volatility. These assumptions, although considered reasonable by the Trust at the time of preparation, may prove to be incorrect.*

*This news release also contains future-oriented financial information and financial outlook information (collectively "FOFI") about Boardwalk's same property NOI growth, FFO per Unit, and AFFO per Unit guidance for fiscal 2022. Boardwalk has included the FOFI for the purpose of providing further information about the Trust's anticipated future business operation.*

*For more exhaustive information on the risks and uncertainties in respect of forward-looking statements and FOFI you should refer to Boardwalk's Management's Discussion & Analysis and Annual Information Form for the year ended December 31, 2021 under the headings "Risk and Risk Management" and "Challenges and Risks", respectively, which are available at [www.sedar.com](http://www.sedar.com). Forward-looking statements and FOFI contained in this news release are made as of the date of this news release and are based on Boardwalk's current estimates, expectations and projections, which Boardwalk believes are reasonable as of the current date. You should not place*

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*undue importance on forward-looking statements or FOPI and should not rely upon forward-looking statements or FOPI as of any other date. Except as required by applicable law, Boardwalk undertakes no obligation to publicly update or revise any forward-looking statement or FOPI, whether a result of new information, future events, or otherwise.*

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