



NEWS RELEASE FOR IMMEDIATE DISTRIBUTION

## **BOARDWALK REIT REPORTS STRONG RESULTS FOR Q1 2023 WITH HIGHEST SAME PROPERTY NET OPERATING INCOME GROWTH SINCE 2007**

**CALGARY, AB – May 9, 2023 - Boardwalk Real Estate Investment Trust (TSX: BEI.UN)**

### **SUMMARY HIGHLIGHTS FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023**

- **STRONG FINANCIAL PERFORMANCE**
  - Profit of \$221.4 million
  - Funds From Operations ("FFO") of \$0.79 per Unit<sup>(1)(2)</sup>; an increase of 16.2% from Q1 2022
  - Net Operating Income ("NOI") of \$75.8 million; an increase of 16.8% from Q1 2022
  - Same Property<sup>(3)</sup> Net Operating Income ("Same Property NOI") of \$74.7 million; an increase of 13.7% from Q1 2022
  
- **SOLID OPERATIONAL RESULTS DRIVEN BY STRONG SAME PROPERTY RENTAL REVENUE GROWTH IN Q1 2023**
  - Sequential quarterly rental revenue growth of 1.6% from the prior quarter
  - Rental revenue growth of 8.5% from a year ago, a continued acceleration year-over-year compared to prior quarters
  - Occupancy of 98.1%; an increase of 257 basis points from last year
  - Incentives declined 32.6% and market rents increased by 6.0% from a year ago
  - Occupied rent increased to \$1,292 in March of 2023, a \$75 improvement from March 2022
  - 269 basis point improvement in Operating Margin year-over-year
  
- **CONTINUED LEASING STRENGTH**
  - Occupancy remains near-full in the latter part of the spring
    - May 2023 preliminary occupancy of 98.3%, an increase of 169 basis points from May 2022
  - New leasing spreads accelerating to 14.8% in Alberta in April 2023, with growing market rental rates
  - Renewal leasing spreads of 8.9% in Alberta in April 2023
  - Despite recent strong leasing spreads, rents in Alberta relative to income levels remain some of the most affordable in Canada and remain well below inflation adjusted levels since 2014
  
- **STRONG AND FLEXIBLE FINANCIAL POSITION**
  - Approximately \$244.0 million of total available liquidity at the end of the quarter
  - 96% of Boardwalk's mortgages carry CMHC-insurance
  - Unitholders' Equity of \$3.7 billion
  - Fair value capitalization rate of 4.92%
  - The Trust's current fair value capitalization rate remains at a positive spread to interest rates
  - Net Asset Value increase, primarily a result of higher market rental rates, to \$75.85 per Unit<sup>(1)(2)</sup>
  
- **ACCRETIVE AND STRATEGIC CAPITAL ALLOCATION**
  - Strengthened portfolio in Greater Victoria Region with immediately accretive acquisition of the The Vue, a newly constructed 124-unit apartment community in Langford, British Columbia

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- **UPDATE TO 2023 FINANCIAL GUIDANCE**
  - Tightened and increased FFO per Unit<sup>(1)(2)</sup> estimate to revised range of \$3.30 to \$3.46
  - Tightened and increased Same Property NOI growth range to +9.5% to +13.0%
- **DISTRIBUTION OF \$1.17 PER TRUST UNIT ON AN ANNUALIZED BASIS CONFIRMED FOR THE MONTHS OF JUNE, JULY AND AUGUST**

<sup>(1)</sup> Please refer to the section titled "Presentation of Non-GAAP Measures" in this news release for more information.

<sup>(2)</sup> Boardwalk REIT's units (the "Trust Units") trade on the Toronto Stock Exchange ("TSX") under the trading symbol 'BEI.UN'. Additionally, the Trust has 4,475,000 special voting units issued to holders of "Class B Units" of Boardwalk REIT Limited Partnership ("LP Class B Units" and, together with the Trust Units, the "Units"), each of which also has a special voting unit in the REIT.

<sup>(3)</sup> Same property figures exclude un-stabilized properties (properties which have been owned for less than 24 months) and sold assets.

Boardwalk Real Estate Investment Trust ("Boardwalk", the "REIT" or the "Trust") today announced its financial results for the first quarter of 2023.

Sam Koliass; Chairman and Chief Executive Officer of Boardwalk REIT commented:

"We are pleased to report on another solid quarter, with our highest same property net operating income growth since 2007. In our largest markets of Edmonton and Calgary, we continue to see large international and interprovincial inflows as individuals search for economic opportunities, an attractive lifestyle and affordable places to call home.

As of the beginning of May, same property portfolio occupancy has reached 98.3%. Positive market rent adjustments are being implemented in communities reflecting near full occupancy across our portfolio. All of our regions are seeing strong demand on new leases, while our measured approach on lease renewals continues to promote high Resident Member satisfaction and provide coverage for expense inflation, ensuring financial sustainability for all stakeholders.

Higher interest rates and expense inflation continue to provide a challenge for community providers so far in 2023. However, rental housing fundamentals remain strong in our core markets and we are confident that our team's Resident focused approach, commitment to innovation and peak performance culture will deliver strong organic growth in the quarters and years to come."

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## FIRST QUARTER FINANCIAL HIGHLIGHTS

<i>\$ millions, except per Unit amounts</i>			
Highlights of the Trust's First Quarter 2023 Financial Results			
	3 Months Mar. 31, 2023	3 Months Mar. 31, 2022	% Change
<b>Operational Highlights</b>			
Rental Revenue	\$ 130.5	\$ 118.3	10.4%
Same Property Rental Revenue	\$ 126.8	\$ 116.9	8.5%
Net Operating Income (NOI)	\$ 75.8	\$ 64.9	16.8%
Same Property NOI	\$ 74.7	\$ 65.7	13.7%
Operating Margin <sup>(1)</sup>	58.1%	54.9%	
Same Property Operating Margin	58.9%	56.2%	
<b>Financial Highlights</b>			
Funds From Operations (FFO) <sup>(2)(3)</sup>	\$ 39.6	\$ 34.5	14.8%
Adjusted Funds From Operations (AFFO) <sup>(2)(3)</sup>	\$ 31.7	\$ 26.4	20.1%
Profit	\$ 221.4	\$ 69.4	218.9%
FFO per Unit <sup>(3)</sup>	\$ 0.79	\$ 0.68	16.2%
AFFO per Unit <sup>(3)</sup>	\$ 0.63	\$ 0.52	21.2%
Regular Distributions Declared (Trust Units & LP Class B Units)	\$ 13.9	\$ 13.0	7.5%
Regular Distributions Declared Per Unit (Trust Units & LP Class B Units)	\$ 0.278	\$ 0.257	8.1%
FFO Payout Ratio <sup>(3)</sup>	35.2%	37.6%	
Stabilized Apartment Suites	33,069	32,787	
Un-Stabilized Suites	741	777	
Total Apartment Suites	33,810	33,564	

<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> This is a non-GAAP financial measure.

<sup>(3)</sup> Please refer to the section titled "Presentation of Non-GAAP Measures" in this news release for more information.

In Q1 2023, same property operating margin increased compared to the same period in the prior year, as the Trust's same property rental revenue continued to accelerate throughout the quarter to offset increases in operating costs due to higher inflation. The Trust anticipates that as same property rental revenue remains strong throughout 2023 and the Trust continues to optimize its operating platform, operating margins will continue to improve as compared to the same period in 2022.

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Continued Highlights of the Trust's First Quarter 2023 Financial Results		
	Mar. 31, 2023	Dec. 31, 2022
<b>Equity</b>		
Unitholders' Equity	\$3,675,771	\$3,466,998
<b>Net Asset Value</b>		
Net asset value <sup>(1)(2)</sup>	\$3,812,153	\$3,583,904
Net asset value (NAV) per Unit <sup>(2)</sup>	\$75.85	\$71.35
<b>Liquidity, Debt and Distributions</b>		
Cash and cash equivalents	\$44,145	
Subsequent committed/funded financing	\$3,715	
Unused committed revolving credit facility	\$196,100	
Total Available Liquidity <sup>(3)</sup>	\$243,960	
Total mortgage principal outstanding	\$3,333,049	\$3,336,026
Interest Coverage Ratio (Rolling 4 quarters)	2.91	2.93

<sup>(1)</sup> This is a non-GAAP financial measure.

<sup>(2)</sup> Please refer to the section titled "Presentation of Non-GAAP Measures" in this news release for more information.

<sup>(3)</sup> Please refer to the section titled "Accretive and Strategic Capital Allocation" below for discussion on subsequent acquisition.

The Trust's fair value of its investment properties as at March 31, 2023 increased from the previous quarter primarily as a result of increased market rents in many of its markets reflecting improving rental fundamentals. During the first quarter, the Trust also increased some of its expense assumptions in its estimate of fair value to account for annual increases in wages and repairs and maintenance. The Trust's stabilized capitalization rate ("cap rate") was unchanged from the prior quarter, and the cap rate ranges utilized continue to be in-line with recently published third party quarterly cap rate reports. The Trust's current fair value cap rate remains at a positive spread to interest rates.

## SOLID OPERATIONAL RESULTS

Portfolio Highlights for the First Quarter of 2023			
		Mar-23	Mar-22
Average Occupancy (Quarter Average) <sup>(1)</sup>		98.10%	95.53%
Average Monthly Rent (Period Ended)	\$	1,267	\$ 1,163
Average Market Rent (Period Ended) <sup>(2)</sup>	\$	1,444	\$ 1,362
Average Occupied Rent (Period Ended) <sup>(3)</sup>	\$	1,292	\$ 1,217
Loss-to-Lease (Period Ended) (\$ millions)	\$	59.5	\$ 55.0
Loss-to-Lease Per Unit (Period Ended)	\$	1.18	\$ 1.09

<sup>(1)</sup> Average occupancy is adjusted to be on a same property basis.

<sup>(2)</sup> Market rent is a component of rental revenue as calculated in accordance with International Financial Reporting Standards ("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>(3)</sup> Occupied rent is a component of rental revenue as calculated in accordance with IFRS and is calculated for occupied suites 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.

	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23
<b>Stabilized Property Portfolio Occupancy</b>	95.8%	96.6%	96.9%	97.0%	97.1%	97.6%	98.1%	97.9%	98.0%	98.0%	98.2%	98.1%	98.4%	98.3%

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The Trust improved occupancy compared to the same period a year ago by focusing on gaining market share and retention. Market rents were adjusted in many communities where rental market fundamentals continue to improve. Turnover rates continued to decline as compared to the previous year across the Trust's portfolio. Average occupied rent increased sequentially, and when compared to the same period a year ago, as the Trust focuses on reducing or eliminating incentives on lease renewals, leasing at market rents for new leases and adjusting market rents where fundamentals are strong.

For the first quarter of 2023, a same property rental revenue increase of 8.5% combined with same property total rental expense increase of 1.8%, resulted in same property NOI growth of 13.7%.

During the quarter, lower vacancy loss and incentives, along with positive market rent adjustments supported Boardwalk's Calgary portfolio increase in same property NOI of 16.5%. The positive revenue growth was partially offset by increases in utilities and wages on a year-over-year basis. In Edmonton, lower vacancy loss and incentives were partially offset by higher property taxes and operating expenses resulting in positive NOI growth of 16.8% for the first quarter of 2023 compared to the first quarter of 2022. The Trust is well positioned in our Edmonton market with occupancy above 97.5% with accelerating revenue growth heading into the end of the spring season.

Saskatchewan's market remains strong with the Trust's portfolio realizing 8.7% same property NOI growth in the first quarter of 2023 versus the same period last year, as a result of strong same property revenue growth.

In Ontario, the mark-to-market opportunity on turnover contributed to same property NOI growth of 4.7%, in the first quarter of 2023 compared to the first quarter of 2022. In Quebec, increasing revenues along with the lease-up of its L'Astre community which was transitioned from a seniors' community, resulted in same property NOI increasing by 11.1% in the first quarter of 2023 compared to the first quarter of 2022.

As we look forward to 2023, and as shown in our updated guidance further in this release, Boardwalk is well positioned with its strong revenue trajectory and expense management to deliver strong NOI growth throughout the remainder of the year.

Mar. 31 2023 - 3 M	# of Suites	% Rental Revenue Growth	% Total Rental Expenses Growth	% Net Operating Income Growth	% of NOI
Edmonton	12,882	8.8%	0.6%	16.8%	34.5%
Calgary	5,879	11.4%	3.0%	16.5%	23.1%
Other Alberta	1,936	8.0%	(1.3)%	18.4%	4.5%
Alberta	20,697	9.6%	1.0%	16.8%	62.1%
Quebec	6,000	6.2%	(0.9)%	11.1%	18.2%
Saskatchewan	3,505	8.3%	7.5%	8.7%	11.3%
Ontario	2,867	5.4%	6.4%	4.7%	8.4%
	33,069	8.5%	1.8%	13.7%	100.0%

### **STRONG LIQUIDITY POSITION**

In the first quarter, Boardwalk renewed \$49.5 million of its maturing mortgages at a weighted average interest rate of 4.37% while extending the term of these mortgages by an average of 3.6 years.

Throughout the remainder of 2023, the Trust anticipates \$388.7 million of mortgages payable maturing with an average in-place interest rate of 2.94% and will continue to renew these mortgages as they mature. Current market 5 and 10-year CMHC financing rates are estimated to be 3.90% and 3.75%, respectively. To date, the Trust has renewed or forward-locked the interest rate on \$197.6 million or 45% of its maturing mortgages in 2023 at an average interest rate of 4.44% and an average term of 4.3 years. Of the \$197.6 million, \$106.1 million are conventional mortgages, representing most of the Trust's non-CMHC mortgages within its portfolio. While interest rates have increased significantly since the beginning of March 2022, the Trust remains positioned with a

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laddered maturity schedule within its mortgage program, a disciplined capital allocation program and continued use of CMHC funding, which decreases the renewal risk on its existing mortgages.

### **ACCRETIVE AND STRATEGIC CAPITAL ALLOCATION**

The Trust remains committed to its capital allocation strategy of 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 Net Asset Value ("NAV") per Unit of the Trust over the intermediate term.

The Trust is pleased to announce the acquisition of a 124-unit newly built community in Langford, British Columbia for a purchase price of \$60 million. The new community, *The Vue*, is located in one of British Columbia's fastest growing municipalities and was approximately 94% leased up on closing. The acquisition closed on April 25, 2023 at a forward cap rate of approximately 5.1% and was funded with a combination of existing liquidity and a \$46.5 million CMHC-insured mortgage with an interest rate of 3.89% and 7 year term. The opportunistic acquisition provides unitholders with immediate accretion to FFO per Unit and NAV per Unit, while strengthening The Trust's operational presence in the Greater Victoria Region. *The Vue* is a 12-storey tower, mass timber community, that has large suites with condo quality finishes and excellent views. Located in the heart of Langford and in close proximity to the University of Victoria's West Shore Campus, residents will enjoy convenient access to both Victoria and the year-round recreational activities in the surrounding area.

During the fourth quarter of 2022, the Trust received approval from the Toronto Stock Exchange to renew its normal course issuer bid ("NCIB") for an additional one-year period, ending on November 21, 2023. During Q1 2023, the Trust did not purchase any Units under the NCIB. Since the inception of the NCIB in late 2021, the Trust has invested approximately \$45.7 million to purchase for cancellation 878,400 Trust Units at a volume-weighted average price of \$52.05 per Trust Unit.

Boardwalk continues to view its own portfolio as offering un-paralleled value and future growth within the multi-family sector and will continue to evaluate capital recycling opportunities as a source for potential future Unit re-purchases, taking into account the magnitude of the existing discount in the trading price of its units at any given time relative to NAV per Unit.

### **TIGHTENING AND UPWARD REVISION TO 2023 FINANCIAL GUIDANCE**

Boardwalk's first quarter operating performance was at the high-end of its original forecast range for the period. This allows the Trust to provide an update to its 2023 guidance that takes into account its strong performance to date, while also incorporating the positive accretion from its acquisition of *The Vue* subsequent to the end of the quarter. As a result, the Trust is updating its 2023 Same Property NOI growth and FFO per Unit guidance as follows:

<b>Description</b>	<b>2023 Revised Guidance</b>	<b>2023 Original Guidance</b>	<b>2022 Actual (in \$ thousands except per unit)</b>
Same Property NOI Growth	+9.5% to +13.0%	+8.5% to +12.5%	+3.8%
Profit	N/A	N/A	\$283,096
FFO <sup>(1)(2)</sup>	N/A	N/A	\$157,444
AFFO <sup>(1)(2)(3)</sup>	N/A	N/A	\$126,181
FFO Per Unit <sup>(2)</sup>	\$3.30 to \$3.46	\$3.25 to \$3.45	\$3.13
AFFO Per Unit <sup>(2)(3)</sup>	\$2.64 to \$2.80	\$2.59 to \$2.79	\$2.51

<sup>(1)</sup> This is a Non-GAAP financial measure.

<sup>(2)</sup> Please refer to the section titled "Presentation of Non-GAAP Measures" in this news release for more information.

<sup>(3)</sup> Utilizing a Maintenance CAPEX expenditure of \$982/suite/year in 2023 and \$931/suite/year in 2022.

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## **FIRST QUARTER REGULAR MONTHLY DISTRIBUTION ANNOUNCEMENT**

The Trust has confirmed its monthly cash distribution for the months of June 2023, July 2023 and August 2023 as follows:

<b>Month</b>	<b>Per Unit</b>	<b>Annualized</b>	<b>Record Date</b>	<b>Distribution Date</b>
June 2023	\$ 0.0975	\$ 1.17	30-Jun-23	17-Jul-23
July 2023	\$ 0.0975	\$ 1.17	31-Jul-23	15-Aug-23
August 2023	\$ 0.0975	\$ 1.17	31-Aug-23	15-Sep-23

In line with Boardwalk's distribution policy of maximum re-investment, the Trust's payout ratio remains conservative at 35.2% of Q1 2023 FFO; and 33.6% of the last 12 months FFO.

Boardwalk's regular monthly distribution provides a stable and attractive yield for the Trust's Unitholders.

## **FOURTH ANNUAL ESG REPORT**

The Trust is 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 published its fourth annual ESG report in March. The ESG report, along with the Trust's Annual report, is available digitally on Boardwalk's website and under the Trust's profile at [www.sedar.com](http://www.sedar.com).

## **FINANCIAL INFORMATION**

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

## **TELECONFERENCE ON FIRST QUARTER 2023 FINANCIAL RESULTS**

Boardwalk invites you to participate in the teleconference that will be held to discuss these results tomorrow (May 10, 2023) at 1:00 pm Eastern Time (11:00 am Mountain). 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:** To join the conference call without operator assistance, you may register and enter your phone number at <https://empportal.ink/42ZkGgm> to receive an instant automated call back.

Alternatively, you can also dial direct to be entered into the call by an operator using the traditional conference call instructions below.

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: 82822944

Topic: Boardwalk Real Estate Investment Trust, 2023 First Quarter Results

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**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 First 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 suites totaling over 29 million net rentable square feet, Boardwalk has a proven long-term track record of building better communities, where love always lives™. 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 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).

#### **PRESENTATION OF NON-GAAP MEASURES**

##### **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 news release.

##### *Funds From Operations*

The IFRS measurement most comparable to FFO is profit. 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 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. Consistent with REALPAC, we define FFO as adjustments to profit 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 receivable. The reconciliation from profit 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 as presented in the condensed consolidated interim financial statements for the three months ended March 31, 2023 and 2022.

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FFO Reconciliation	3 Months Mar. 31, 2023	3 Months Mar. 31, 2022	% Change
(In \$000's, except per Unit amounts)			
Profit	\$ 221,389	\$ 69,428	
<b>Adjustments</b>			
Other income <sup>(1)</sup>	(818)	(1,321)	
Fair value gains	(183,362)	(35,850)	
LP Class B Unit distributions	1,242	1,149	
Deferred tax expense	57	93	
Depreciation	1,800	1,826	
Principal repayments on lease liabilities	(906)	(1,013)	
Principal repayments on lease receivable	193	176	
FFO	\$ 39,595	\$ 34,488	14.8%
FFO per Unit	\$ 0.79	\$ 0.68	16.2%

<sup>(1)</sup> Other income is comprised of capital gains from investment income.

#### *Adjusted Funds From Operations*

Similar to FFO, the IFRS measurement most comparable to AFFO is profit. 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 Mar. 31, 2023	3 Months Mar. 31, 2022
FFO	\$ 39,595	\$ 34,488
Maintenance Capital Expenditures	7,849	8,049
AFFO	\$ 31,746	\$ 26,439

#### *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 NAV.

#### *Adjusted Real Estate Debt*

The IFRS measurement most comparable to Adjusted Real Estate Debt is total mortgage principal outstanding. 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 total mortgage principal outstanding under IFRS to Adjusted Real Estate Debt can be found below under NAV.

#### *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

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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.

	Mar. 31, 2023	Dec. 31, 2022
Investment properties	\$ 7,134,589	\$ 6,900,745
Equity accounted investment	40,556	40,871
Cash and cash equivalents	44,145	52,816
Adjusted Real Estate Assets	\$ 7,219,290	\$ 6,994,432
Total mortgage principal outstanding	\$ (3,333,049)	\$ (3,336,026)
Total lease liabilities attributable to land leases <sup>(1)</sup>	(74,088)	(74,502)
Adjusted Real Estate Debt	\$ (3,407,137)	\$ (3,410,528)
Net Asset Value	\$ 3,812,153	\$ 3,583,904
Net Asset Value per Unit	\$ 75.85	\$ 71.35

Reconciliation of Unitholders' Equity to Net Asset Value	Mar. 31, 2023	Dec. 31, 2022
Unitholders' Equity	\$ 3,675,771	\$ 3,466,998
Total Assets	(7,293,750)	(7,067,275)
Investment properties	7,134,589	6,900,745
Equity accounted investment	40,556	40,871
Cash and cash equivalents	44,145	52,816
Total Liabilities	3,617,979	3,600,277
Total mortgage principal outstanding	(3,333,049)	(3,336,026)
Total lease liabilities attributable to land leases <sup>(1)</sup>	(74,088)	(74,502)
Net Asset Value <sup>(1)(2)</sup>	\$ 3,812,153	\$ 3,583,904

<sup>(1)</sup> 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 as a component in the calculation. 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 and AFFO 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 for the period on a fully diluted basis, which assumes conversion of the LP Class B Units and vested deferred units determined in the calculation of diluted per Trust Unit amounts in accordance with IFRS.

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NAV per Unit is calculated as NAV divided by the Trust Units outstanding as at the reporting date on a fully diluted basis which assumes conversion of the LP Class B Units and vested deferred units outstanding.

*FFO per Unit Future Financial Guidance*

FFO per Unit Future Financial Guidance is calculated as FFO Future Financial Guidance divided by the estimated weighted average Trust Units and LP Class B Units outstanding throughout the 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 news release.

*AFFO per Unit Future Financial Guidance*

AFFO per Unit Future Financial Guidance is calculated as AFFO Future Financial Guidance divided by the estimated weighted average Trust Units and LP Class B Units outstanding throughout the 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 news 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 2023, Boardwalk's ability to accelerate organic growth in 2023, expected distributions for June 2023, July 2023, and August 2023, expectations regarding mortgages payable maturing and its intention to renew these mortgages, Boardwalk's commitment to its capital allocation strategy, timing for completion of the Tower 2 construction at Boardwalk's 45 Railroad development, accretive capital recycling opportunities, strengthening its long-term development plan in Victoria, BC, and Boardwalk's commitment to ESG initiatives. 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 "Risks 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, Boardwalk's future growth potential, prospects and opportunities, 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, the impact of accounting principles under IFRS, general industry conditions and trends, changes in laws and regulations including, without limitation, changes in tax laws, 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 2023. 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, 2022 under the headings "Risks 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*

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*current estimates, expectations and projections, which Boardwalk believes are reasonable as of the current date. You should not place 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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