



Investor Presentation  
Q1 2024

TSX: TNT-UN

5775 Yonge Street, Toronto ON

675 Cochrane Drive, Markham ON



# Disclaimer

Certain statements contained in this presentation constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking statements are provided for the purposes of assisting the reader in understanding the REIT's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking information may relate to future results, performance, achievements, events, prospects or opportunities for the REIT or the real estate industry and may include statements regarding the financial position, business strategy, budgets, projected costs, capital expenditures, financial results, taxes, distributions, plans, the benefits and continued reallocation of distribution amounts (the "Distribution Amounts") to the normal course issuer bid (the "NCIB"), or through other capital programs, the impact of the consolidation (the "Unit Consolidation") and objectives of or involving the REIT. In some cases, forward-looking information can be identified by such terms as "may", "might", "will", "could", "should", "would", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "goal", "project", "predict", "forecast", "potential", "continue", "likely", or the negative thereof or other similar expressions suggesting future outcomes or events.

This presentation, and the documents incorporated by reference herein, contain forward-looking statements that involve a number of risks and uncertainties, including statements regarding the outlook for the REIT's business and results of operations, the ability of the REIT to manage the impact of inflation on the REIT's operating costs and fluctuating interest rates, and the ongoing effects on the REIT's business and operations following the shift to hybrid working. Forward-looking statements involve known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities may not be achieved. A variety of factors, many of which are beyond the REIT's control, affect the operations, performance and results of the REIT and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: risks and uncertainties related to the trust units of the REIT ("Units") and trading value of the Units; risks related to the REIT and its business; fluctuating interest rates and general economic conditions, including fluctuating levels of inflation; credit, market, operational and liquidity risks generally; occupancy levels and defaults, including the failure to fulfill contractual obligations by tenants; lease renewals and rental increases; the ability to re-lease and secure new tenants for vacant space; the timing and ability of the REIT to acquire or sell certain properties; work-from-home flexibility initiatives on the business, operations and financial condition of the REIT and its tenants, as well as on consumer behavior and the economy in general; the ability to enforce leases, perform capital expenditure work, increase rents, raise capital through the issuance of Units or other securities of the REIT; the benefits of reallocating the Distribution Amounts to the NCIB and continuation of such program, or through other capital programs, the impact of the Consolidation, the ability of the REIT to resume distributions in future periods; and obtain mortgage financing on the REIT's properties (the "Properties") and for potential acquisitions or to refinance debt at maturity on similar terms. The foregoing is not an exhaustive list of factors that may affect the REIT's forward-looking statements. Other risks and uncertainties not presently known to the REIT could also cause actual results or events to differ materially from those expressed in its forward-looking statements. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements as there can be no assurance actual results will be consistent with such forward-looking statements.

Information contained in forward-looking statements is based upon certain material assumptions applied in drawing a conclusion or making a forecast or projection, including management's perception of historical trends, current conditions and expected future developments, as well as other considerations believed to be appropriate in the circumstances. There can be no assurance regarding: (a) work-from-home initiatives on the REIT's business, operations and performance, including the performance of its Units; (b) the REIT's ability to mitigate any impacts related to fluctuating interest rates, inflation and the shift to hybrid working; (c) the factors, risks and uncertainties expressed above in regards to the hybrid work environment on the commercial real estate industry and property occupancy levels; (d) credit, market, operational, and liquidity risks generally; (e) the availability of investment opportunities for growth in Canada and the timing and ability of the REIT to acquire or sell certain properties; (f) repurchasing units under the NCIB; (g) Starlight Group Property Holdings Inc., or any of its affiliates ("Starlight"), continuing as asset manager of the REIT in accordance with its current asset management agreement; (h) the benefits of reallocating the Distribution Amounts to the NCIB and continuation of such program, or through other capital programs; (i) the impact of the Consolidation; (j) the availability of debt financing for potential acquisitions or refinancing loans at maturity on similar terms; (k) the ability of the REIT to resume distributions at a defined point time and (l) other risks inherent to the REIT's business and/or factors beyond its control which could have a material adverse effect on the REIT.

The forward-looking statements made relate only to events or information as of the date on which the statements are made in this presentation. Except as specifically required by applicable Canadian law, the REIT undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

Certain terms used in this presentation such as funds from operations ("FFO"), adjusted funds from operations ("AFFO"), FFO and AFFO payout ratios, net operating income ("NOI"), same property net operating income ("Same Property NOI"), indebtedness ("Indebtedness"), gross book value ("GBV"), Indebtedness to GBV ratio, net earnings before interest, tax, depreciation and amortization and fair value gain (loss) on financial instruments and investment properties ("Adjusted EBITDA"), interest coverage ratio, adjusted cash flow provided by operating activities, net asset value ("NAV") per Unit, Total Equity and Available Funds are not measures defined by International Financial Reporting Standards ("IFRS") as prescribed by the International Accounting Standards Board ("IASB"), do not have standardized meanings prescribed by IFRS and should not be compared to or construed as alternatives to profit/loss, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. FFO, AFFO, FFO and AFFO payout ratios, NOI, Same Property NOI, Indebtedness, GBV, Indebtedness to GBV ratio, Adjusted EBITDA, interest coverage ratio, adjusted cash flow provided by operating activities, NAV per Unit, Total Equity and Available Funds as computed by the REIT may not be comparable to similar measures presented by other issuers. Details on non-IFRS measures are set out in the REIT's Management's Discussion and Analysis for the quarter ended March 31, 2024, and available on the REIT's profile at [www.sedarplus.ca](http://www.sedarplus.ca).



## Quick Facts

**44**

PROPERTIES

**90%**<sup>(1)</sup>

OCCUPANCY

**77%**

GOV'T & CREDIT RATED  
TENANTS

**4.8M**

GROSS LEASEABLE AREA  
(sq ft)

**\$1.3B**

TOTAL ASSETS

**4.4 years**

WTD AVG LEASE TERM

**5**

PROVINCES

**3.88%**

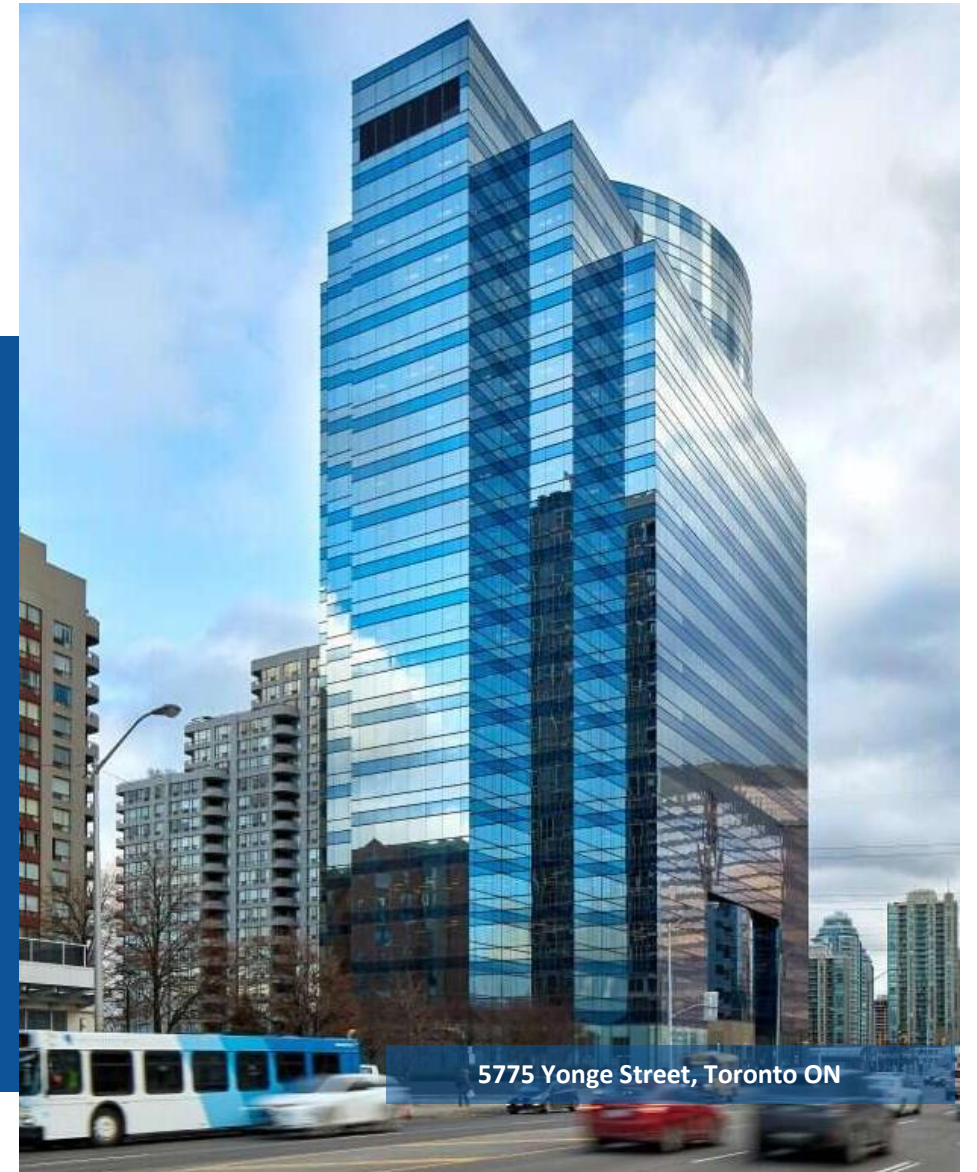
WTD AVG INTEREST  
RATE

**99.7%**

RENT COLLECTION

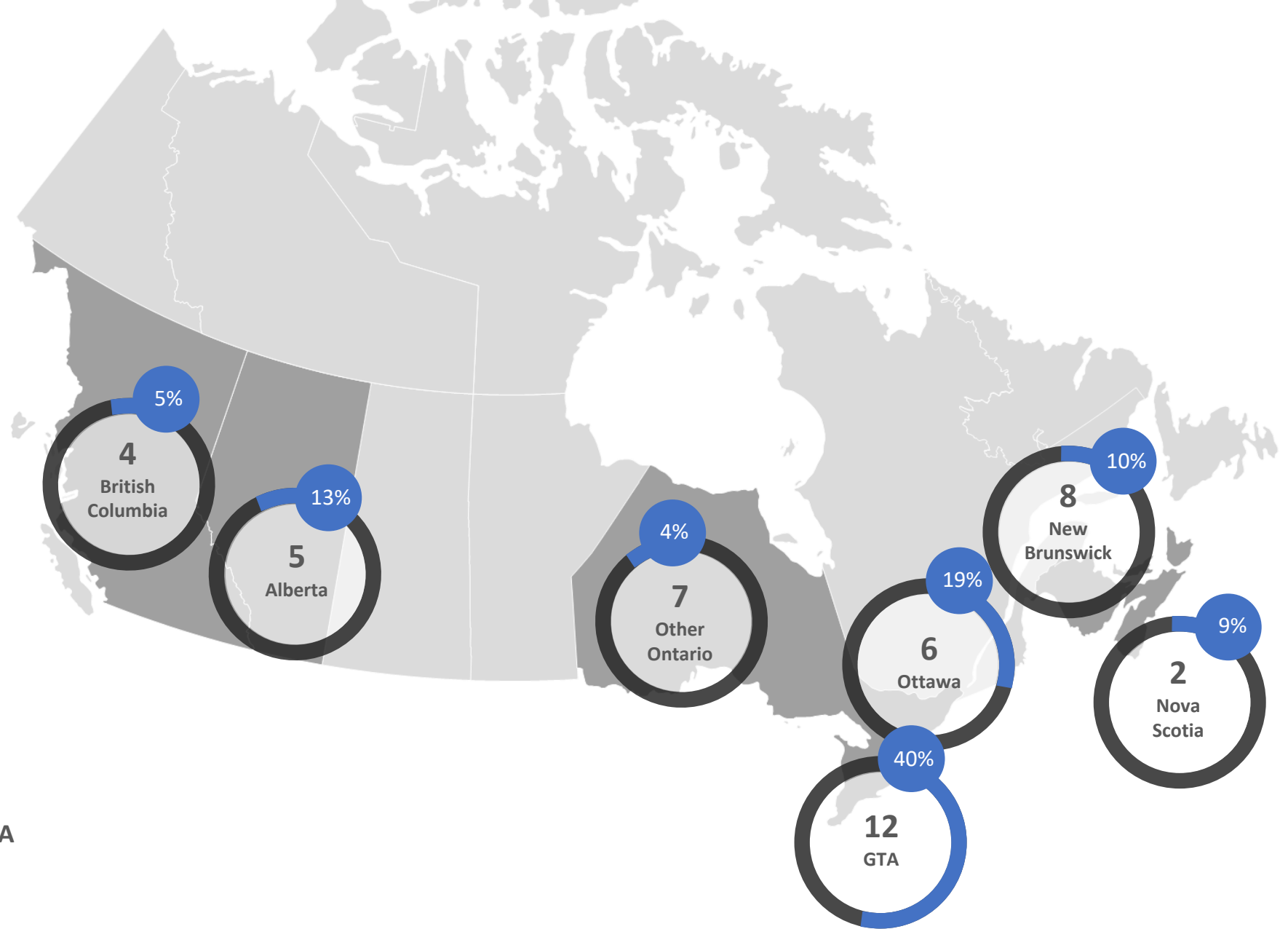
As at March 31, 2024

<sup>(1)</sup> Including investment properties held for sale, occupancy was 88%



5775 Yonge Street, Toronto ON

# Well-Diversified Portfolio

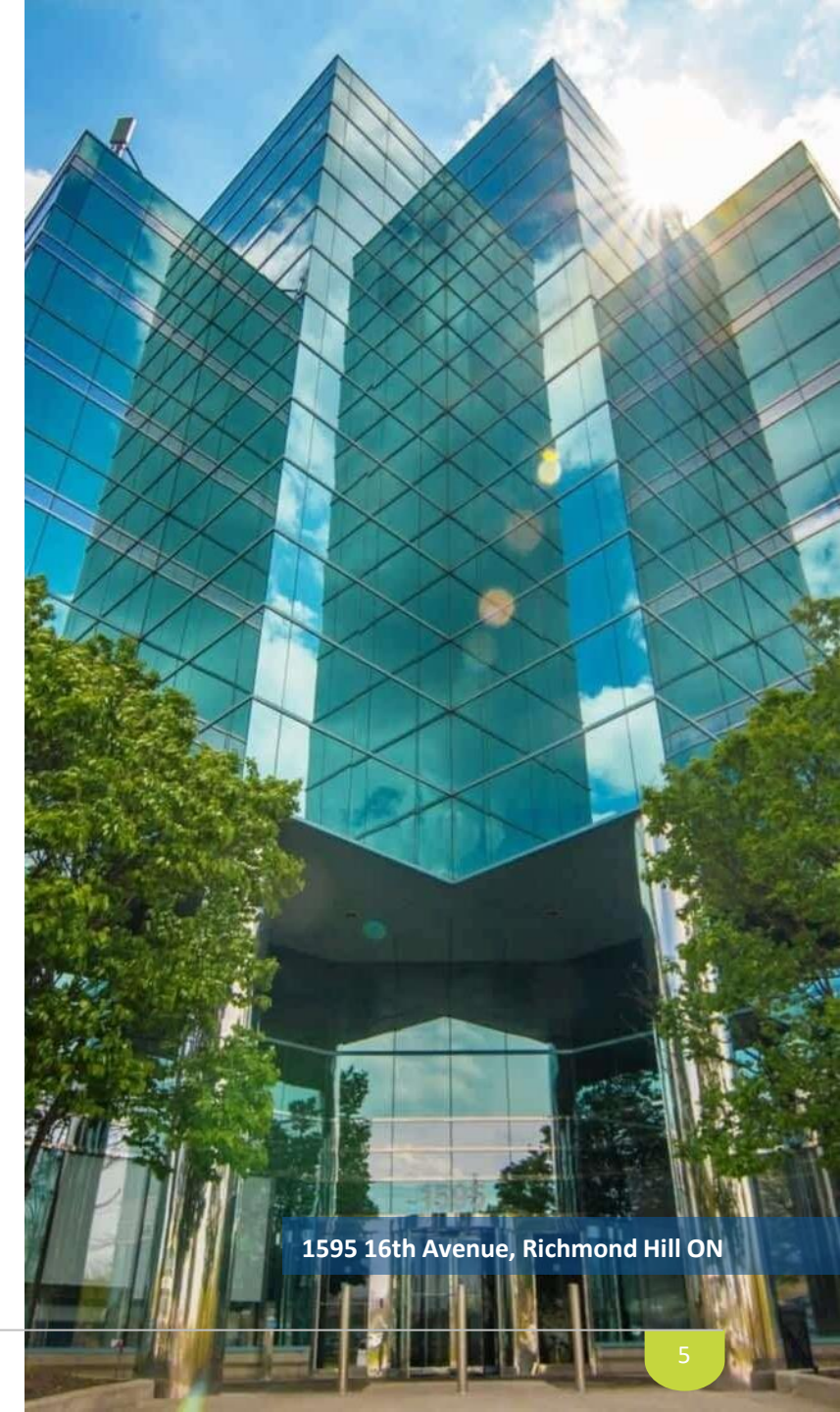


**% Portfolio Breakdown by GLA**  
As at March 31, 2024

## High Quality Assets

- Quality assets attract and retain highest quality tenants
- Drives stable resilient performance

Approximately 61% of the portfolio is green certified



1595 16th Avenue, Richmond Hill ON

# Our Commitment to ESG



## ENVIRONMENTAL

Increase energy, water and waste efficiency and sustainable practices at our properties to lower carbon emissions

Engage with tenants to improve collaboration

Pursue green building certifications

Improve energy efficiency through building equipment upgrades, BAS, in-suite features (e.g. LED lighting)

Implement green leases



## SOCIAL

Focus on tenant and employee health and well-being

Prioritize tenant safety and comfort across the portfolio

Promote fair employment and contractor practices through diversity and inclusion

Continuously improve community impact and support volunteerism

Preserve biodiversity and give back to the community

Conduct annual tenant surveys to receive feedback and improve practices



## GOVERNANCE

Experienced and diverse board of trustees

Ethical business conduct and whistleblower policies

Strict regulatory compliance such as the enforcement of Blackout Periods

Governance, Compensation and Nominating Committee oversight

Annual election of trustees, no slate ballot

Independent trustees are not over boarded

Annual board, committee and trustee assessment procedures

# High Quality Tenant Base

As at March 31, 2024

**77%** of revenue from government & credit rated tenants

41% government tenants

36% credit-rated tenants

**69%** of revenue from Top 20 tenants

Stable base of large, well-capitalized tenants

**4.4** years weighted avg. lease term

Canada

Alberta  
GOVERNMENT

Ontario

New Brunswick  
C A N A D A

BRITISH COLUMBIA

ADP

TD

THE J.M. SMUCKER CO

GM

LUMENTUM

Stantec

intact  
INSURANCE

# Secure Stable Cashflow & Disciplined Growth



2020



99% rents collected

31% increase in revenues

34% increase in AFFO

2 non-core properties sold



2021



99.5% rents collected

2 non-core properties sold

\$22M property acquired



2022



99.5% rents collected

\$40.5M property acquired



2023



99.8% rents collected

3 non-core properties sold



2024



99.7% rents collected

3 non-core properties sold



# Leveraging Strong Partner - Starlight Investments

## Leading Private North American Real Estate Investor and Operator

With more than 28 years of investment and asset management experience, Starlight is one of Canada's most active real estate investors, leading \$50B in direct real estate transactions

## History of Creating Value Through Ownership and Management of High-Quality Assets

Manages Residential and Commercial properties in Canada, the U.S. and U.K. on behalf of publicly listed vehicles and Institutional and Family Office investors

## Focused Global Real Assets Securities Investment Platform

Over 15 years of publicly listed investment management experience, overseeing +\$18B in assets

**\$28B**  
**AUM**

**23%**  
**Gross IRR**  
**(Realized)**

**+\$50B**  
**Transaction**  
**Value**

## Low Transaction Risk and Strong Pipeline of Exclusive Acquisition Opportunities

Starlight transacts with speed and efficiency due to disciplined yet entrepreneurial decision making

## Operational Experience

An active approach to asset management with an extensive network of brokers and property managers has led to a proven history of deploying capital to reposition assets and enhancing value

## Alignment of Interest

Co-invest a significant amount of equity in every deal to ensure meaningful alignment of interests with LPs



# Continued Resilient Performance

99.7% of Q1 2024 contractual rent collected

140,600 sq ft leased or renewed in Q1 2024 with:

- **5.8-year** WALT
- 2.6% increase over expiring rates

Quarter ended March 31,  
(\$000 except per Unit amounts)

**2024**

Properties	<b>44</b>
Occupancy	<b>90%</b> <sup>(1)</sup>
Revenue	<b>\$32,464</b>
Adjusted Funds from Operations (AFFO)	<b>\$9,060</b>
AFFO per Unit (Basic)	<b>\$0.57</b>
Leasing spread over expiring rates (Q1 2024 deals)	<b>2.6%</b>

<sup>(1)</sup> Including investment properties held for sale, occupancy was 88%

# Well-Staggered Lease Maturities





# Conservative Financial Position

Strong balance sheet

Access to \$36M of cash and undrawn credit facility as at March 31, 2024

As at March 31,	2024	2023
Total assets (\$000)	1,324,380	\$1,437,297
Leverage ratio	62.1%	59.8%
Weighted avg. interest rate	3.88%	3.63%
Weighted avg. mortgage term	2.78 yrs	3.14 yrs
Interest coverage ratio	2.23x	2.80x

## Positive Leasing Activity in 2024

**72.4K**  
sq ft in new  
leases

8.0 year weighted average lease term

**68.2K**  
sq ft in lease  
renewals and  
replacements

3.4 year weighted average lease term  
2.6% increase in net rents

# Q1 2024 Highlights

675 Cochrane Drive, Markham ON

**90%**<sup>(1)</sup>  
occupancy

**99.7%**  
of contractual  
rent collected

**5.8 YRS**  
wtd avg  
lease term on new leases  
and renewals

**2.6%**  
increase over expiring  
rates (Q1 2024 deals)

**\$36M**  
in cash & undrawn credit facility  
as at March 31, 2024

**41%**  
government  
tenants



**36%**  
credit-rated  
tenants



**77%**  
total government & credit-  
rated tenants

<sup>(1)</sup> Including investment properties held for sale, occupancy was 88%

# Looking Forward



## Stable contractual cash flow

77% of rents from government & credit rated tenants.



## Non-core capital recycling program continues

- Disposed of 251 Arvin Avenue on April 8, 2024, 6865 Century Avenue on April 10, 2024, and 135 Hunter Street East on April 21, 2024.
- Waived on the disposition of 9200 Glenlyon Parkway; closing is expected in June 2024.



## Leveraging relationship with Starlight

Overhead synergies, strong industry and capital markets relationships.



## Distribution Reallocation

In Q4 2023, the REIT determined that the most effective use of available capital was to reallocate substantially all distributions paid to Unitholders ("Distribution Amounts") to purchase the maximum number of Units available under the 2023 normal course issuer bid (the "2023 NCIB") or through other acquisition programs (the "Distribution Reallocation"). The REIT's reallocation of the Distribution Amounts to 2023 NCIB, was immediately accretive to Unitholders and reflected the most compelling near term opportunity to increase Unitholder value and per Unit growth. As at March 31, 2024, the REIT's NAV per Unit was \$29.47 resulting in the REIT's Unit price trading at a significant discount at that point in time. On April 17, 2024, the REIT renewed the 2023 NCIB (the "2024 NCIB"), as approved by the TSX. From the commencement of the 2023 NCIB in April 2023 up to March 31, 2024, the REIT had repurchased 987,972 Units for \$9.0M at a weighted average price of \$9.15 per Unit under the 2023 NCIB which represented an inferred distribution yield of approximately 18.7%. Subsequent to March 31, 2024, the REIT repurchased and cancelled an additional 159,560 Units and 92,013 Units for \$1.5M and \$850K, respectively, under the 2023 NCIB and 2024 NCIB at a weighted average price of \$9.13 and \$9.24 per Unit representing an inferred distribution yield of 18.7% and 18.5%. The REIT has utilized substantially all of the capital previously used to fund distributions to REIT Unitholders for Unit repurchases under the NCIB. The REIT intends to continue to purchase Units under the 2024 NCIB until the release of the Q2 2024 results in August of 2024 at which point the REIT will evaluate the continuation of the 2024 NCIB or the reinstatement of a distribution as operating and capital market conditions improve.



400 Maple Grove Road, Ottawa ON



# Contact Us

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**TSX: TNT.UN**

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# Acquisitions



**101 McNabb Street  
Markham ON**

Closed Nov 15, 2019

315,400 sq ft GLA  
\$90.0 M price  
100% occupied  
7.0 yr lease term



**6925 Century Avenue  
Mississauga ON**

Closed Dec 12, 2019

252,500 sq ft GLA  
\$87.5 M price  
100% occupied  
7.2 yr lease term



**675 Cochrane Drive  
Markham ON**

Closed Dec 18, 2019

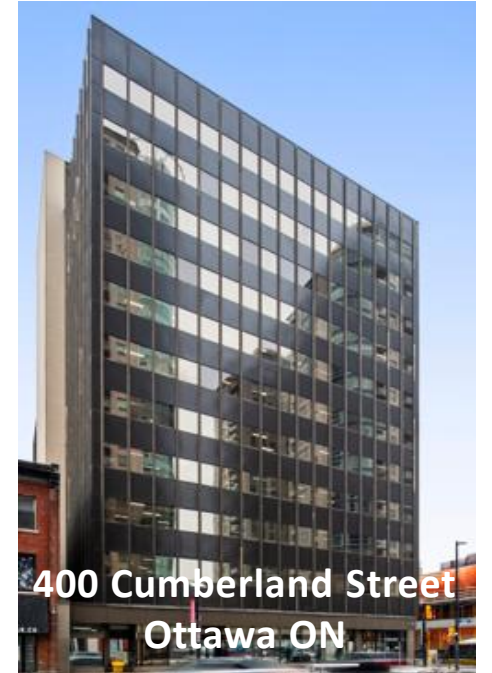
368,900 sq ft GLA  
\$117.8 M price  
98% occupied  
4.8 yr lease term



**1112 Fort Street  
Victoria BC**

Closed Oct 13, 2021

52,000 sq ft GLA  
\$22.0 M price  
100% occupied  
4.9 yr lease term



**400 Cumberland Street  
Ottawa ON**

Closed August 22, 2022

174,000 sq ft GLA  
\$40.5 M price  
98% occupied  
6.4 yr lease term

# High Quality Tenant Base

TNC's top 20 tenants account for approximately 69% of its revenue and include mainly government and credit-rated tenants

41%

government tenants



36%

credit-rated tenants



77%

total government & credit-rated tenants

Tenant	% of Revenue	Location	WALT	Government	Credit-Rated
Federal Government of Canada	16.8%	NB/ON	5.2	✓	-
Province of Alberta	10.6%	AB	4.0	✓	-
Province of Ontario	6.5%	ON	3.0	✓	-
General Motors of Canada Company	3.8%	ON	3.8	-	✓
The Toronto-Dominion Bank	3.4%	ON	2.4	-	✓
Province of British Columbia	3.1%	BC	3.3	✓	-
Province of New Brunswick	3.0%	NB	3.9	✓	-
Intact Insurance Co.	2.4%	ON/NS	1.7	-	✓
Lumentum Ottawa Inc.	2.4%	ON	3.8	-	✓
LMI Technologies Inc.	2.3%	BC	7.8	-	✓
Staples Canada ULC	2.1%	ON	9.5	-	✓
EMS Technologies Canada, Ltd.	1.8%	ON	7.4	-	✓
Ceridian Canada Ltd.	1.6%	ON	1.3	-	✓
Smucker Foods of Canada Corporation	1.5%	ON	0.7	-	✓
WSP Canada Inc.	1.5%	ON	5.0	-	✓
Paymentus (Canada) Corporation	1.5%	ON	7.0	-	✓
Stantec Consulting Ltd.	1.3%	NB/ON	5.2	-	✓
ADP Canada Co.	1.3%	NS	2.2	-	✓
Concentrix Technologies Services, Ltd.	1.0%	NS	5.8	-	✓
Astellas Pharma Canada, Inc.	1.0%	ON	2.1	-	✓

# Management Team



**Daniel Drimmer**

Founder, Chairman of the Board,  
CEO

- Founder and Chief Executive Officer of Starlight Investments, which manages over \$28.0 billion of commercial and residential properties comprising over 9.0 million square feet of commercial space throughout Canada and more than 77,000 multi-family units across Canada and the southern United States
- Founder and Chief Executive Officer, Starlight U.S. Multi-Family Core Funds
- Founder, True North Apartment REIT in 2012 which combined with Northern Property REIT in 2015 to form Northview Apartment REIT, Canada's third largest publicly traded multi-family REIT
- Founder, TransGlobe Apartment REIT in 2010, which returned 60% to IPO unitholders upon privatization
- Led more than \$50 billion worth of acquisitions and dispositions in commercial and residential real estate over the past 10 years
- Between 1997 and 2009, assembled an extensive portfolio of approximately \$800 million in Canadian commercial properties



**Martin Liddell, CA**

CFO

- Chief Financial Officer of Starlight Investments
- Over 25 years of corporate finance experience
- Has completed \$12B+ of real estate equity and debt financings and assisted in a number of public market transactions including eight IPOs
- Served as CFO of True North Apartment REIT and Starlight U.S. Residential Funds
- Executive Vice-President and Chief Financial Officer of Leisureworld Senior Care Corporation (2006 – 2011)
- Between 2000 and 2005, served in a variety of senior corporate development and financial management roles at Tyco International Ltd.
- From 1995 to 2000, provided strategic corporate finance and mergers and acquisitions advice to clients at KPMG LLP in the United Kingdom and Europe

# Management Team



**Charles Chung**

Senior Vice President,  
Asset Management &  
Investments

- Has over 15 years of public and private Canadian and U.S. commercial real estate experience in acquisitions and dispositions, financing, asset management, property management and accounting
- Completed over \$5 billion in transactions including large portfolios and individual assets
- Held positions with Whiterock REIT (TSX: WRK.UN), Canadian Real Estate Investment Trust (TSX: REI.UN) and Avison Young










**Jake Dinsmore, CPA, CA**

Senior Vice President,  
Finance

- Responsible for the financial reporting, acquisition due diligence, operations management and assists with investor relations for True North Commercial REIT, as well as the institutional commercial portfolio and U.S. residential assets managed by Starlight
- Has over 15 years of financial leadership experience within public and private ownership structures in various industries; broad financial management experience including significant involvement with debt and equity financings, financial reporting, management reporting, acquisition due diligence and investor relations
- He previously spent time with KPMG where he obtained his CPA and held senior finance positions with Corsa Coal Corp. and Dream Unlimited prior to coming to Starlight in 2018 to initially oversee the finance group for Starlight's U.S. residential business

# Board of Trustees

	Audit	Investment	Governance, Compensation & Nominating
 <b>Lindsay Brand*</b>	Member	Member	Member
 <b>Daniel Drimmer,</b> Chairman		Committee Chair	
 <b>Lora Gernon*</b>			Member
 <b>Martin Liddell</b>			
 <b>Alon Ossip*</b> Lead Trustee	Member	Member	Committee Chair
 <b>Sandy Poklar*</b>	Committee Chair	Member	
 <b>Tracy Sherren</b>			

\* Independent Trustee