



# Annual Unitholders' Meeting

June 17, 2024

TSX: TNT-UN

5775 Yonge Street, Toronto ON

675 Cochrane Drive, Markham ON



# Disclaimer

Certain statements contained in this presentation and our answers to questions 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<sup>(1)</sup>**

PROPERTIES

**90%<sup>(2)</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**

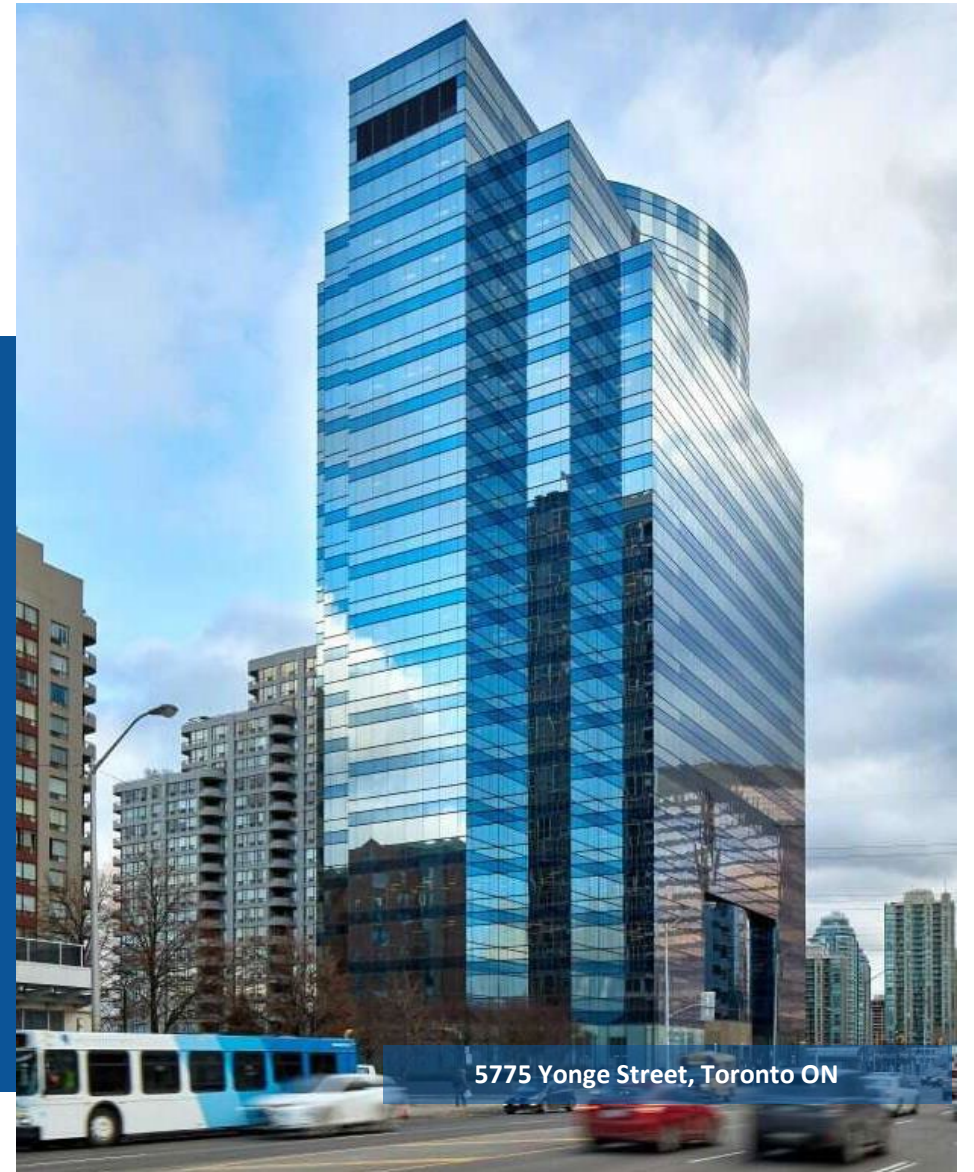
PROVINCES

**3.88%**

WTD AVG INTEREST  
RATE

**99.7%**

RENT COLLECTION



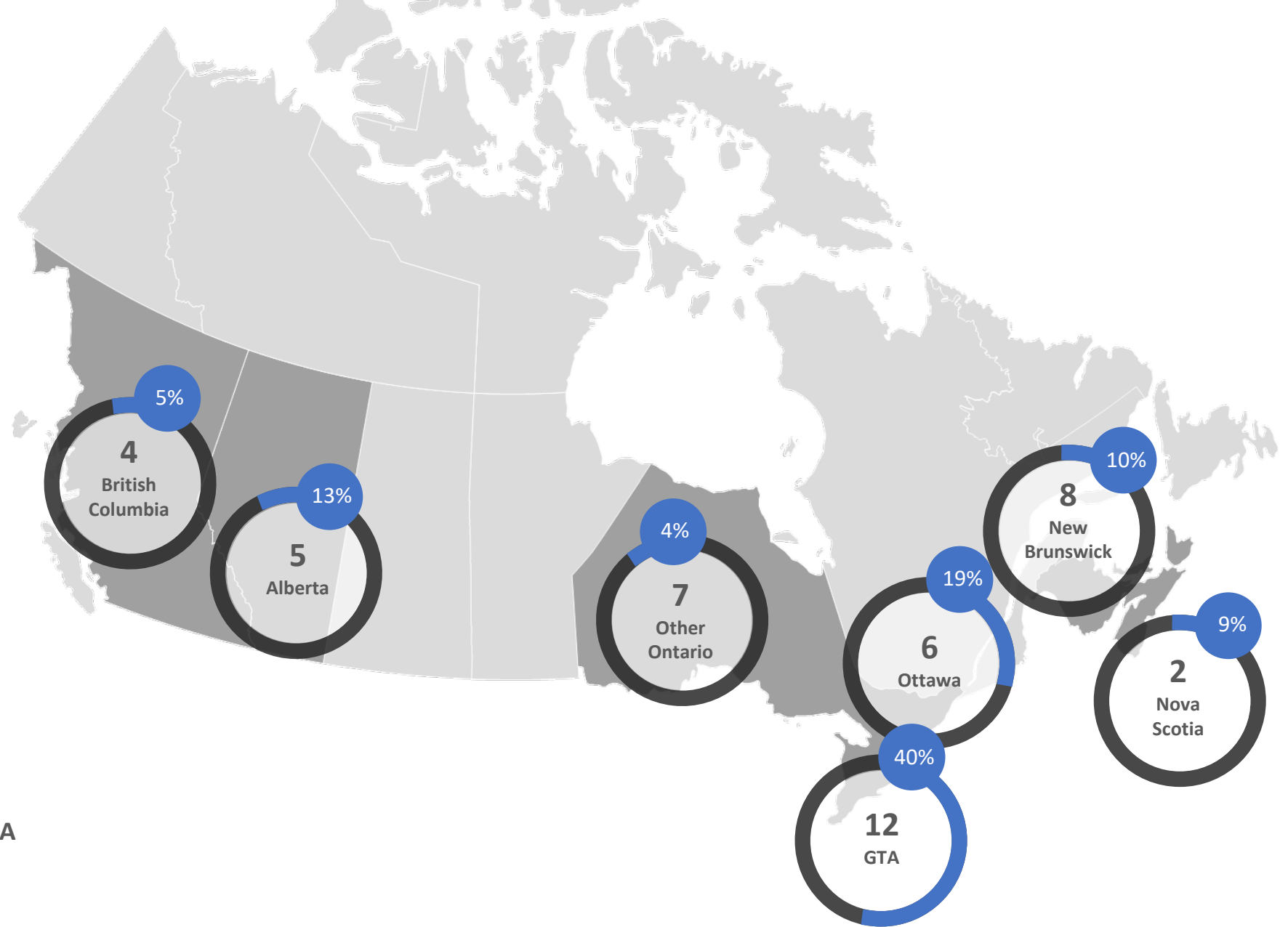
5775 Yonge Street, Toronto ON

As at March 31, 2024

(1) As of today, 40 properties and 1 under contract for disposition

(2) Excluding investment properties held for sale (88% including investment properties held for sale)

# Well-Diversified Portfolio



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

# 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 government and 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 & Strategic Repositioning



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<sup>(1)</sup>

<sup>(1)</sup> Excludes one property under contract to sell and expected to close in late June 2024

# 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

# 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

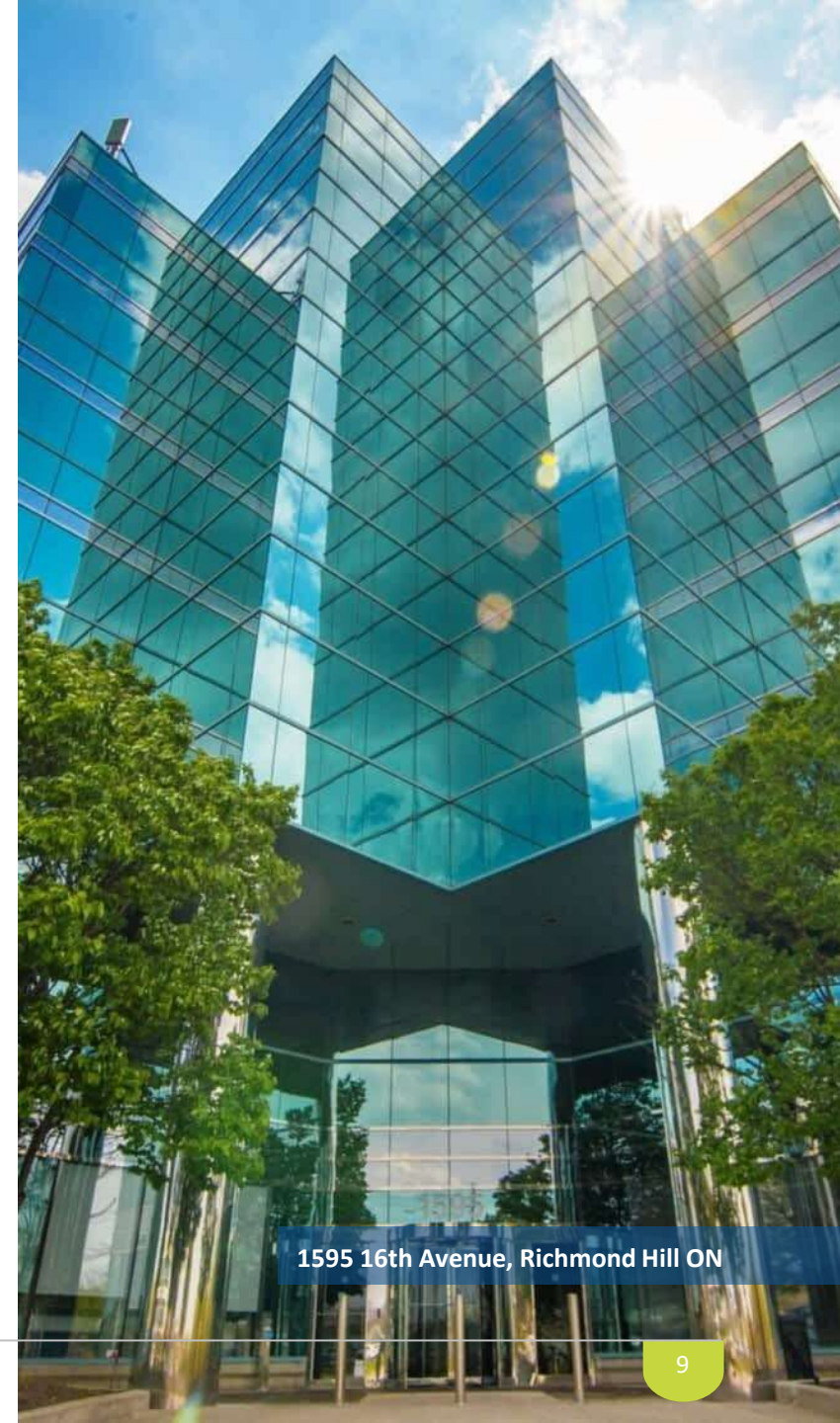
Annual board, committee and trustee assessment procedures



## High Quality 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

# Q1 2024 Highlights

675 Cochrane Drive, Markham ON

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

**2024**

Properties	<b>44</b>
Occupancy	<b>90%<sup>(1)</sup></b>
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> Excluding investment properties held for sale (88% including investment properties held for sale)

# Positive Leasing Activity Continues in 2024

- Leveraging strong tenant and broker relations
- 54% of 2024 YTD deals are with government & credit-rated tenants

**107.7K**  
sq ft in new  
Leases YTD

7.2 year weighted  
average lease term



**155.0K**  
sq ft in lease  
renewals and  
relocations  
YTD

3.3 year weighted  
average lease term



340 Laurier Ave W, Ottawa ON

As at June 13, 2024

# Looking Forward



## Stable contractual cash flow

- 77% of rents from government & credit rated tenants.



## Non-core capital recycling program continues

- Successfully closed the sales of 251 Arvin Avenue, 6865 Century Avenue, and 135 Hunter Street East in Q2 2024. 9200 Glenlyon Parkway is under contract and expected to close in late 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 distributions to purchase the maximum number of Units available under the 2023 normal course issuer bid (NCIB) or through other acquisition programs.
- The REIT's reallocation to 2023 NCIB, was immediately accretive to Unitholders and reflected the most compelling near-term opportunity to increase Unitholder value and per Unit growth.
- On April 17, 2024, the REIT renewed the NCIB, as approved by the TSX.
- The REIT intends to continue to purchase Units under the NCIB until the release of the Q2 2024 results in August 2024 at which point the REIT will evaluate the continuation of the NCIB or the reinstatement of a distribution as operating, and capital market conditions improve.



# Dispositions

Strategic disposition of four non-core assets at aggregate sale price of \$61.4 M

All four properties were sold / will be sold for more than initial purchase value.

\$19.1 M of net proceeds generated through disposition

Proceeds intended for the repayment of existing debt on the current credit facility



**251 Arvin Avenue,  
Hamilton ON**

Closed April 8, 2024

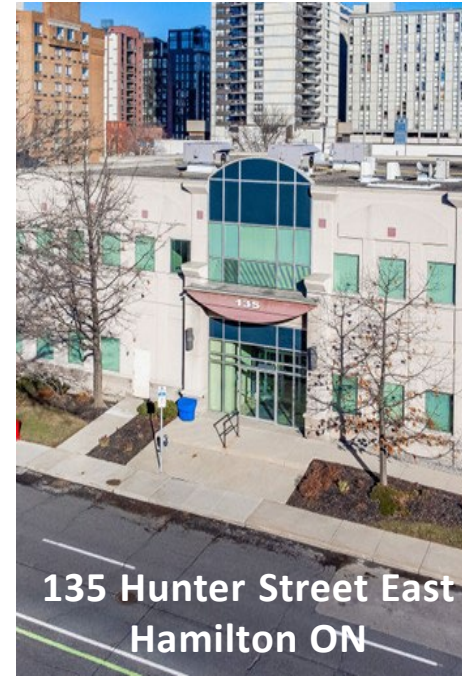
6,900 sq ft GLA  
100% occupied  
5.2 yr lease term



**6865 Century Avenue  
Mississauga ON**

Closed April 10, 2024

64,200 sq ft GLA  
83% occupied  
0.8 yr lease term



**135 Hunter Street East  
Hamilton ON**

Closed April 22, 2024

24,400 sq ft GLA  
100% occupied  
4.3 yr lease term



**9200 Glenlyon Parkway  
Burnaby BC**

Under Contract

90,600 sq ft GLA  
100% occupied  
7.8 yr lease term

*Note: Remaining lease term and occupancy as of March 31, 2024*

## Q & A

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**TSX: TNT.UN**

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