



**NexLiving**  
communities inc.

**Devcore Portfolio Acquisition**  
January 22, 2024



Unless otherwise indicated, all references in this presentation to “NexLiving”, “we”, “our”, “us”, the “Company” or similar terms refer to NexLiving Communities Inc. and its consolidated subsidiaries.

## Forward-Looking Information

This presentation contains certain statements, which may constitute “forward looking information” under Canadian securities law requirements and “forward looking statements” under applicable securities laws (collectively, “forward-looking information”). Forward-looking information can be identified by words such as: “anticipate”, “intend”, “plan”, “goal”, “seek”, “believe”, “project”, “estimate”, “expect”, “strategy”, “future”, “likely”, “may”, “should”, “will” and similar references to future periods. Forward looking information in this presentation includes, without limitation, expectations relating to: the completion and timing of the transactions contemplated herein, the structure of the transactions contemplated herein, management and board of the Company following completion of the transactions contemplated herein, expected geographic diversification, expected increase to In-Place NOI and In-Place FFO resulting from the transactions contemplated herein, the expected mortgage financings for the proposed acquisitions, the pipeline for future acquisitions which may be impacted by NexLiving’s ability to negotiate suitable terms, due diligence, future access to capital and market conditions, future operating results (including free cash flow) from portfolio properties which may be impacted by unexpected vacancies and maintenance expenses, availability of capital and future capital market and borrowing conditions. Forward-looking information are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions that we believe to be reasonable regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Key assumptions upon which the Company’s forward-looking information is based include, but are not limited to, the expectation that the transactions contemplated herein will be completed, future growth potential, results of operations, future prospects and opportunities, demographic and industry trends, no change in legislative or regulatory matters, future levels of indebtedness, the continuing availability of capital and current economic conditions. Forward-looking information are qualified in their entirety by the inherent risks, uncertainties and changes in circumstances surrounding future expectations which are difficult to predict and many of which are beyond the control of the Company, including that the transactions contemplated herein are completed. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking information include, among others, the ability of NexLiving to operate as a going concern, development and operating risks, the Company’s limited operating history, the trading price and volatility of the Company’s common shares, global financial volatility, the failure to complete the transactions contemplated herein, and unforeseen changes to key members of management. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, and our actual results, performance, achievements and financial condition may differ materially from those indicated in the forward-looking information or implied by such forward-looking information. Therefore, you should not rely on any of this forward-looking information. Certain statements included in this presentation may be considered a “financial outlook” for purposes of applicable Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other than this presentation. Any forward-looking information in this presentation is based only on information currently available to us and is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable at the date that such statements are made. Except as required by applicable securities laws, we undertake no obligation to publicly update any forward-looking information whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

## Non-IFRS Measures

In this presentation, the Company uses certain non-IFRS financial measures, which include net operating income (“NOI”), in-place NOI (“In-Place NOI”), funds from operations (“FFO”), in-place FFO (“In-Place FFO”), FFO per share – diluted, FFO margin and NOI margin to measure, compare and explain the operating results and financial performance of the Company. These terms are commonly used by entities in the real estate industry as useful metrics for measuring performance. However, they do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other publicly traded entities. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS. For a full description and reconciliation of certain non-IFRS measures, see slide 15 and page 1 of the Company’s Management Discussion and Analysis for the period ended September 30, 2023, which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## Additional Information

Any graphs, tables or other information demonstrating our historical performance contained in this presentation are intended only to illustrate past performance and are not necessarily indicative of future performance.

All amounts are presented in Canadian dollars unless otherwise stated. A copy of the definitive agreement for the transactions contemplated herein will be available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Company intends to prepare and mail and management information circular in connection with the transactions contemplated herein, a copy of which will be available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

# Transaction Overview



<b>Transaction Summary</b>	<ul style="list-style-type: none"> <li>▪ Acquisition of a private portfolio of multi-family assets, located across high-growth secondary markets in Québec &amp; Ontario                             <ul style="list-style-type: none"> <li>– The acquisition portfolio produced \$13.1 million in revenue for the last 12 months as of September 30, 2023</li> </ul> </li> <li>▪ Acquisition portfolio includes 991 units across 16 properties with an appraised value of \$224 million<sup>(1)</sup></li> </ul>
<b>Consideration</b>	<ul style="list-style-type: none"> <li>▪ Approximately 16.5 million NexLiving shares, subject to closing adjustment, representing approximately 49% of the fully diluted outstanding shares of the Company following the close of the transaction<sup>(2)</sup> <ul style="list-style-type: none"> <li>– Valued at approximately \$31.7 million based on the closing price of the shares of the Company on January 19, 2024</li> </ul> </li> <li>▪ Assumption of approximately \$166 million of mortgages<sup>(3)</sup></li> </ul>
<b>Management and Board</b>	<ul style="list-style-type: none"> <li>▪ NexLiving Board of Directors to consist of four nominees from NexLiving and three nominees from Devcore Group Inc. following the transaction</li> <li>▪ Jeff York to become Chairman and Rick Turner to become Vice Chairman</li> <li>▪ No changes to the current executive management of NexLiving</li> </ul>
<b>Investor Rights Agreement</b>	<ul style="list-style-type: none"> <li>▪ Principals of Devcore will enter into investor rights agreements with NexLiving</li> <li>▪ Principals of Devcore will agree to, among other items, a three-year standstill, a two-year staggered lock-up and certain voting covenants, subject to certain exceptions</li> </ul>
<b>Other Key Terms</b>	<ul style="list-style-type: none"> <li>▪ The agreement provides for, among other things, customary support and non-solicitation covenants from NexLiving, including customary “fiduciary out” provisions that allow NexLiving to accept a superior proposal in certain circumstances, subject to payment of a fee in the amount of \$1.5 million</li> </ul>
<b>Voting Support</b>	<ul style="list-style-type: none"> <li>▪ All officers, directors and certain shareholders representing 43% of the shares outstanding have entered into voting support agreements</li> </ul>
<b>Timing and Approvals</b>	<ul style="list-style-type: none"> <li>▪ The transaction is expected to close during the end of the second quarter of 2024, subject to the approval of a simple majority of votes cast by NexLiving shareholders at a special meeting, the receipt of applicable regulatory approvals, including Competition Act and CMHC approval, the approval of the TSX Venture Exchange, and certain other customary closing conditions</li> </ul>

(1) According to independent appraisals by Colliers International Realty Advisors Inc. effective October 2023

(2) As a result of the transaction, 8985979 Canada Inc. (controlled by Jeffrey York and Jean-Pierre Poulin) will become a Control Person of NexLiving (as defined in the policies of the TSX-V)

(3) As of December 2023





## Increased Scale and Meaningful Financial Accretion

- Portfolio size increases from 1,166 to 2,157 units (~85% increase)
- In-Place NOI<sup>(1)</sup> increases from approximately ~\$12 to ~\$22 million (>80% increase)
- Fully diluted In-Place FFO per share<sup>(1)</sup> accretion greater than 30%



## Strategic Geographic Diversification

- New Brunswick portfolio concentration reduced from 90% to 49%
- Municipal concentration by number of units following the transaction:
  - 34% Moncton and 15% Saint John
  - 29% National Capital Region (Ottawa-Gatineau)
  - 18% other Ontario and 4% other Québec



## Attractive Mortgage Portfolio & De-Levering Strategy

- Assumption of attractive mortgage portfolio
  - 4.3 years weighted average term to maturity<sup>(2)</sup>
  - 2.70% weighted average interest rate<sup>(2)</sup>
- Material improvement in free cash flow to be directed towards de-leveraging & growth



## Multi-Channel Growth Pipeline

- Transaction provides an attractive and captive growth pipeline
  - Devcore is an active developer with multiple ongoing renovation and new build multi-family construction projects underway
  - Post transaction Devcore to retain a pipeline of almost 2,000 multi-family units



## High-Growth Asset Portfolio

- NexLiving expects to benefit from the significant upside from embedded 'mark-to-market' opportunities across the combined portfolio of properties and the value-add strategy focused in Ontario and Québec



## Strong and Aligned Board

- Board, management and insider ownership will be greater than 50%, providing strong alignment with shareholders

(1) Refers to non-IFRS measures as disclosed on slide 15

(2) As of December 2023





## Portfolio Overview

- The transaction includes 16 properties located across Gatineau, Cornwall, Val-D'Or, Thurso, Embrun, and Limoges
  - Total of 991 units, average property size of 62 units
  - Property weighted average year built of 1991<sup>(1)</sup> with ~450 units renovated over the past three years
- Unit size range from ~600 sq. ft. to ~1,500 sq. ft.

### Québec Properties



#### Gatineau

- 10 properties
- 513 units
- ~50% of portfolio NOI<sup>(2)</sup>
- 1,064 average sq. ft.



#### Val-D'Or

- 1 property
- 83 units
- ~10% of portfolio NOI<sup>(2)</sup>
- 1,043 average sq. ft.



#### Thurso

- 1 property
- 75 units
- ~12% of portfolio NOI<sup>(2)</sup>
- 920 average sq. ft.

### Ontario Properties



#### Cornwall

- 2 properties
- 275 units
- ~22% of portfolio NOI<sup>(2)</sup>
- 662 average sq. ft.



#### Limoges

- 1 property
- 21 units
- ~2% of portfolio NOI<sup>(2)</sup>
- 1,000 average sq. ft.



#### Embrun

- 1 property
- 24 units
- ~3% of portfolio NOI<sup>(2)</sup>
- 800 average sq. ft.

(1) Weighted average based on number of units

(2) Represents the percentage proportion of the acquisition portfolio estimated as of December 2023

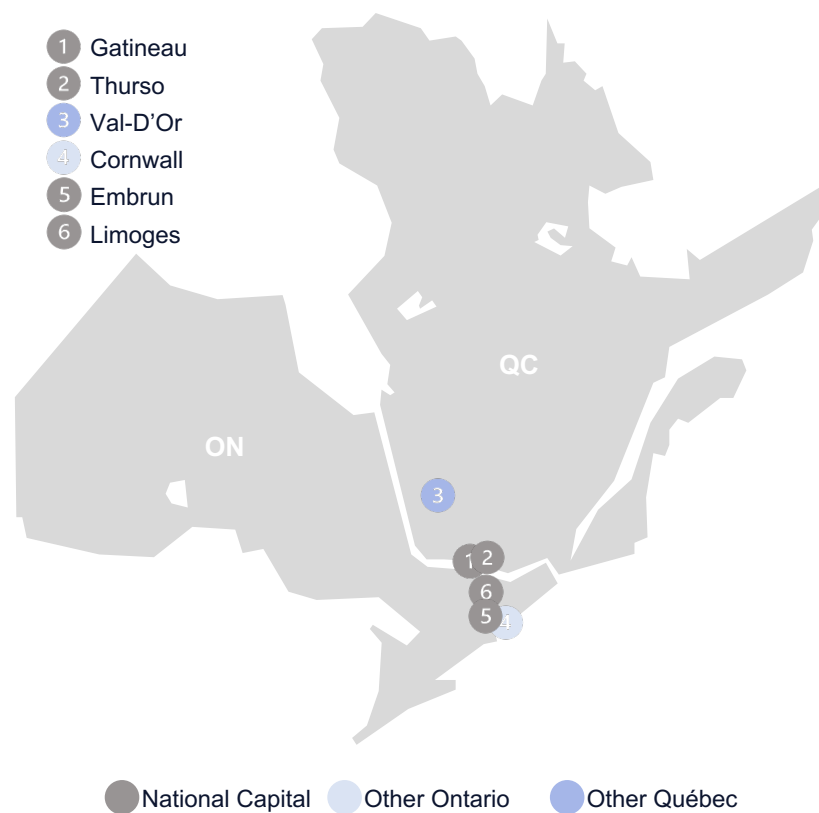


- Transaction portfolio consists of strategically located properties in Southern Québec and Eastern Ontario
- Assets consist of a mix of newly constructed buildings, renovated units, and value-add upgrade opportunities

## Acquisition Portfolio Summary

Property	City	Year Built	Units
Place du Golf	Gatineau	1978	135
333-431 Rue St. James	Gatineau	1976	116
150 Rue Jeannine Gregoire Ross	Gatineau	2021	80
153 Rue Fraser	Thurso	2023	75
300-670 Nelson Morin	Gatineau	1976	59
499-541 Pointe Gatineau	Gatineau	1978	33
3-57 Lanctot	Gatineau	1974	28
Capri & St Moritz	Embrun	2018	24
365-401 Prado	Gatineau	2010	21
169-179 Bordeaux	Limoges	2017	21
494-516 du Progres	Gatineau	2011	16
24-28 de la Futaie	Gatineau	1984	15
1101 Ch De Montreal	Gatineau	2008	10
<b>Total National Capital</b>			<b>633</b>
1421 & 1451 Brookdale	Cornwall	1978	202
600 Glengarry	Cornwall	1975	73
<b>Total Other Ontario</b>			<b>275</b>
Roland Audet	Val-D'Or	2019	83
<b>Total Other Québec</b>			<b>83</b>
<b>Devcore Portfolio</b>			<b>991</b>

## Acquisition Portfolio Locations



# Geographic Diversification



**NexLiving**  
communities inc.

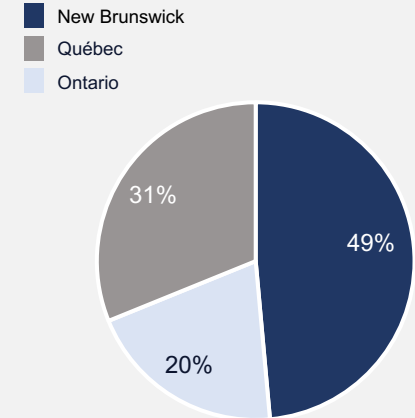
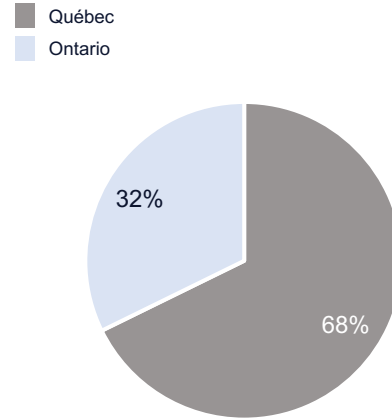
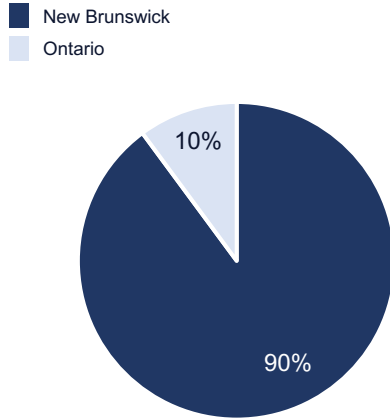
Standalone

**DEVCORE**  
(Vend-in portfolio)  
Standalone

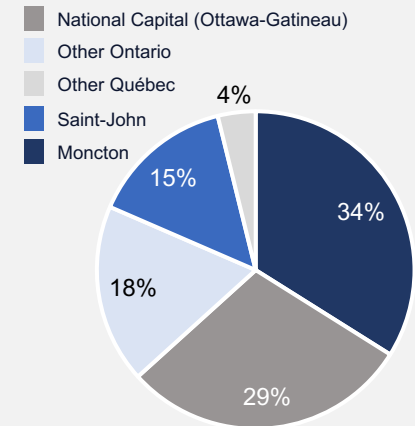
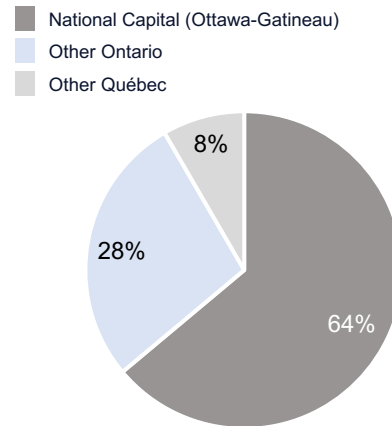
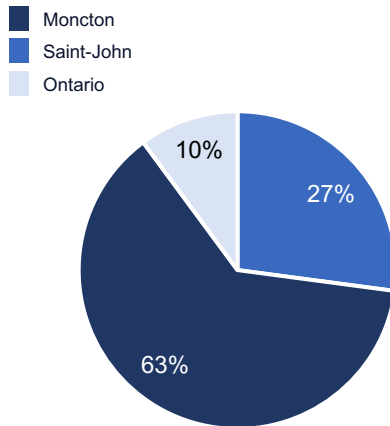
**NexLiving**  
communities inc.

Combined Business

**Assets by Province<sup>(1)</sup>**  
% of units



**Assets by Metropolitan Area<sup>(1)</sup>**  
% of units



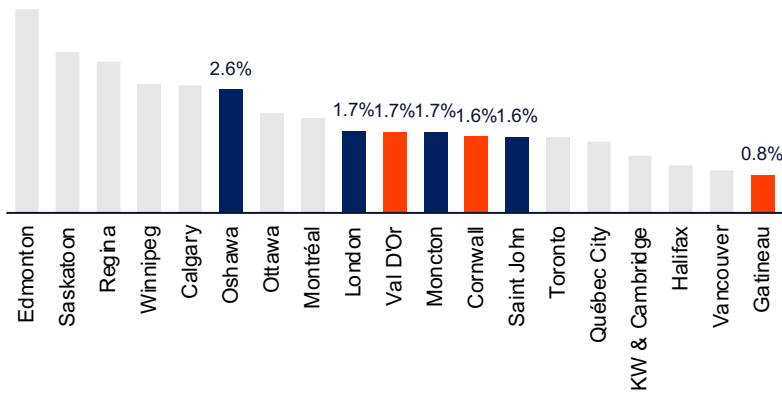
(1) As of January 2024



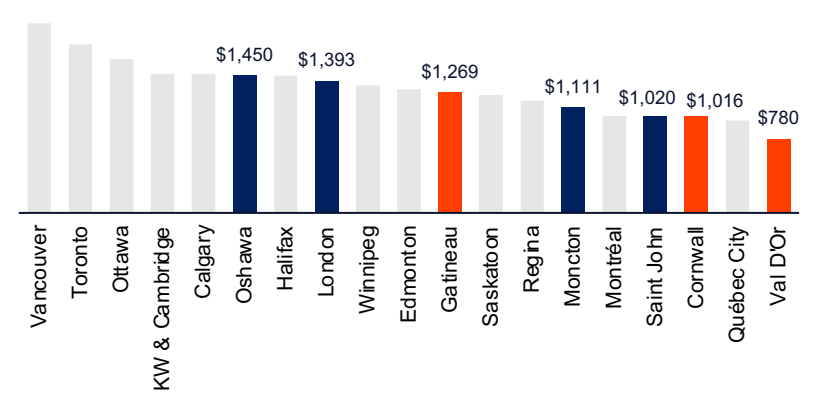
# Significant Foothold in Canada's High-Growth Secondary Markets



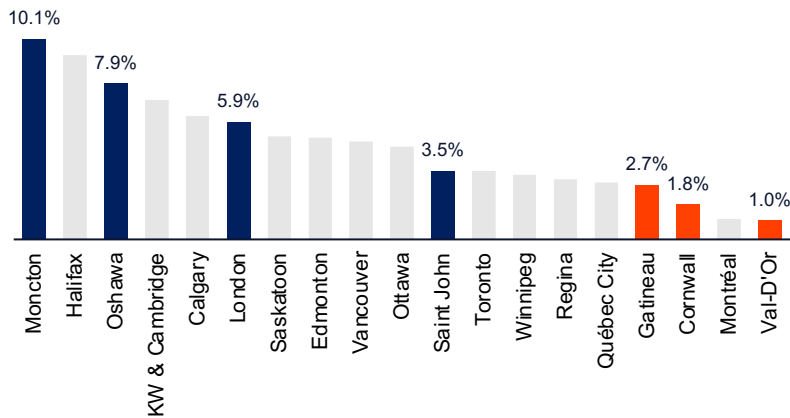
## 2022 Vacancy Rates



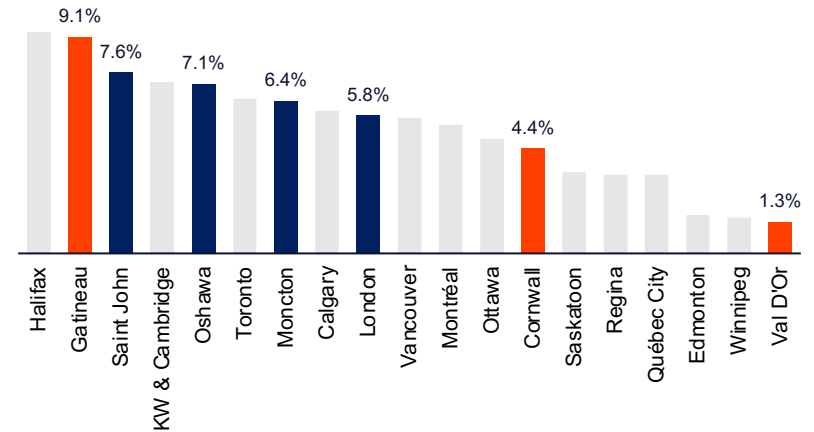
## 2022 Average 2-Bedroom Rent



## Population Growth Rates (2019-2022)



## Average 2-Bedroom Rent Growth (Y/Y)



**Transaction significantly increases NexLiving's foothold in supply-constrained, high-growth Canadian cities**

Source: CMHC Rental Market Survey, and StatsCan for select cities as of December 2023






# Immediate Scale and Financial Accretion



## In-Place Financials

(C\$ MM, unless noted)

	 NexLiving communities inc. In-Place	 DEVCORE (Vend-in portfolio) In-Place	 NexLiving communities inc. In-Place Combined
Units (#)	1,166	991	2,157
Monthly revenue / unit (C\$)	~\$1,400	~\$1,300	~\$1,350
Revenue <sup>(1)</sup>	\$20	\$15	\$35
Property operating expenses <sup>(2)</sup>	(\$8)	(\$6)	(\$14)
<b>Net operating income<sup>(2)</sup></b>	<b>~\$12</b>	<b>~\$10</b>	<b>~\$22</b>
<i>NOI margin</i>	~60%	~64%	~61%
Administrative expenses	(\$2)	(\$0) <sup>(3)</sup>	(\$2)
Net interest expense	(\$6)	(\$4)	(\$11)
Amortization expense	(\$1)	(\$0) <sup>(4)</sup>	(\$1)
<b>Funds from operations<sup>(5)</sup></b>	<b>~\$3</b>	<b>~\$5</b>	<b>~\$8</b>
<i>FFO margin</i>	~16%	~33%	~23%
Diluted shares outstanding <sup>(6)</sup> (MM)	16.9	16.5	33.8 <sup>(7)</sup>
<b>FFO per share (C\$)</b>	<b>~\$0.18</b>	<b>~\$0.30</b>	<b>~\$0.24</b>

**Based on the current In-Place financials the transaction implies >30% accretion to FFO per share**

In-Place financials as of January 2024, as defined on slide 15 and below:

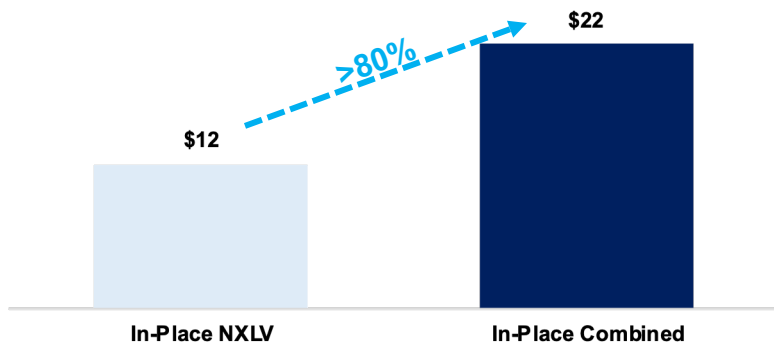
- (1) Includes net of portfolio vacancy of ~2%
- (2) In-Place NOI is based on rent rolls as of January 2024 and management expectations of property level expenses using currently in-place contracts and management estimates for expenses
- (3) Assumes an increase in administrative expenses associated with the larger pool of assets under management
- (4) Assumes the amortization of lender and CMHC fees expected to be incurred in connection with the assumption of Devcore's mortgage debt
- (5) In-Place FFO estimated as In-Place NOI less management's expected normalized administrative expenses, net interest expense, and amortization of deferred financing costs
- (6) Includes diluted in-the-money current shares outstanding as of January 19, 2024
- (7) Includes issuance of ~0.4 MM shares related to transaction expenses



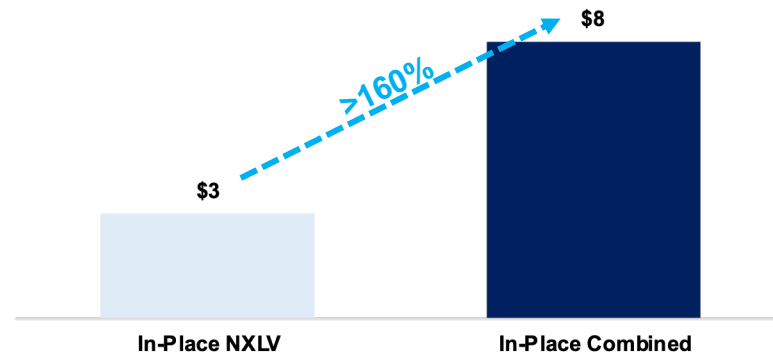
# Combined Financial Metrics



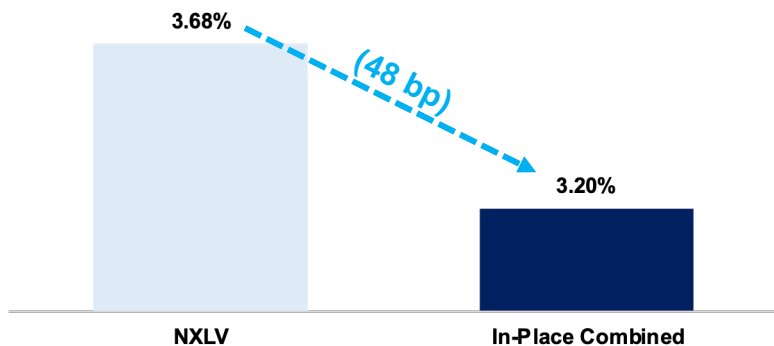
## Combined NOI<sup>(1)</sup> (C\$ MM)



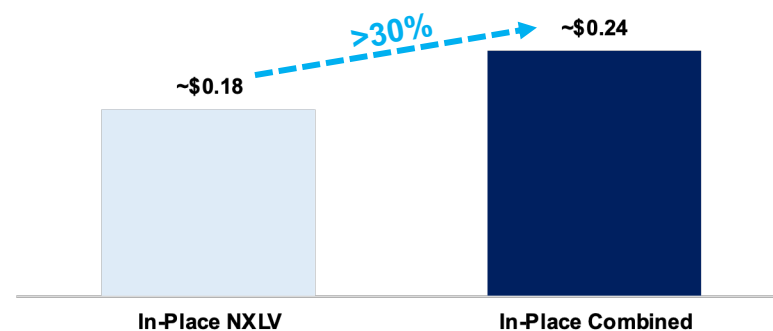
## Combined FFO<sup>(1)</sup> (C\$ MM)



## Average Cost of Debt<sup>(2)</sup> (%)



## Diluted FFO Per Share<sup>(1,3)</sup> (C\$)



**The transaction is highly additive and accretive to NexLiving shareholders providing an immediate lift to the Company's Combined In-Place NOI and FFO per share metrics**

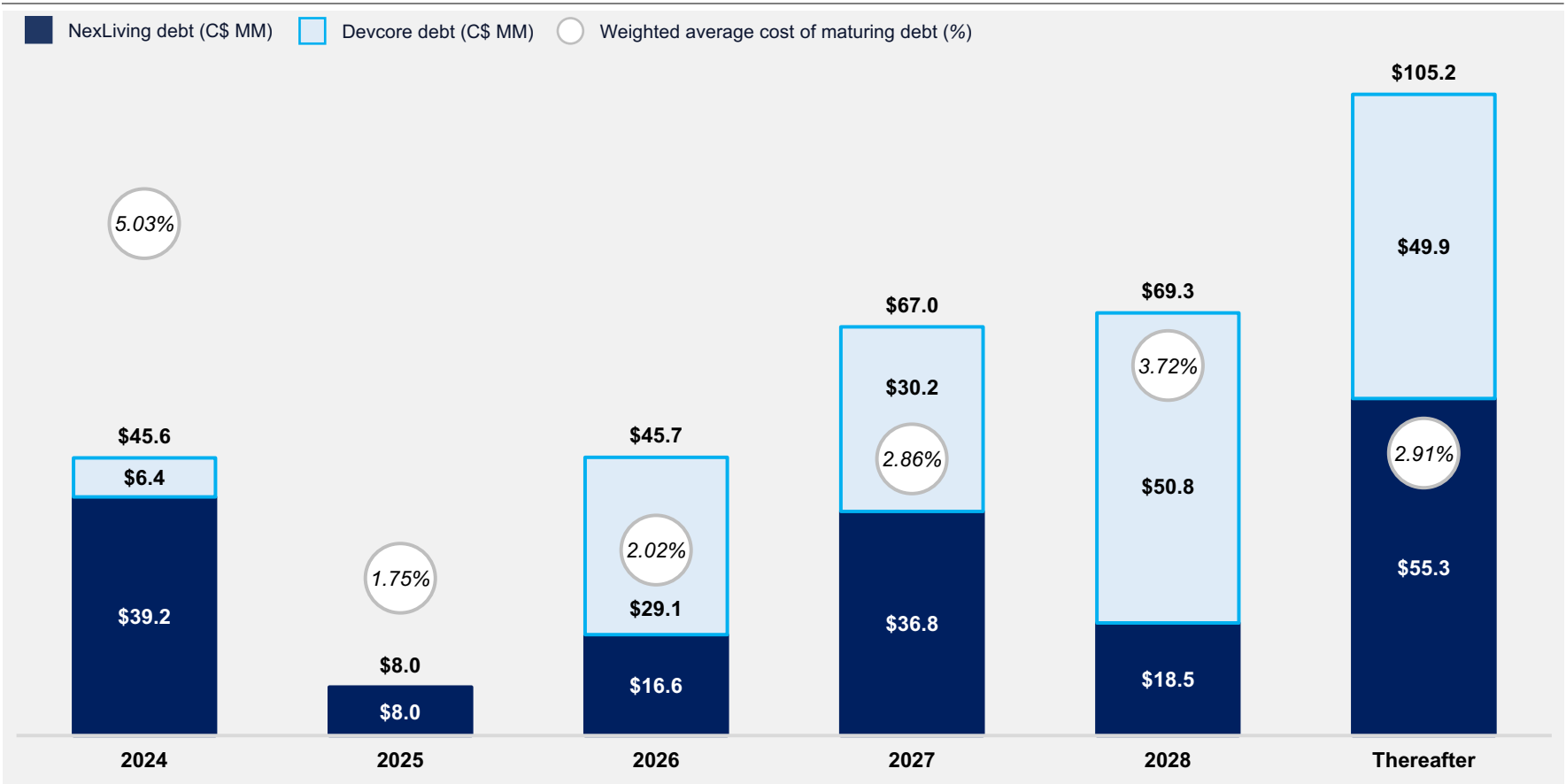
(1) Refer to slide 15 for non-IFRS measures

(2) NexLiving average cost of debt as of December 2023, including the refinancings of Pleasant & Lewisville; combined including Devcore debt as of December 2023

(3) Includes current shares outstanding and deferred share units as of January 19, 2024



## Mortgage Maturity Schedule<sup>(1)</sup>



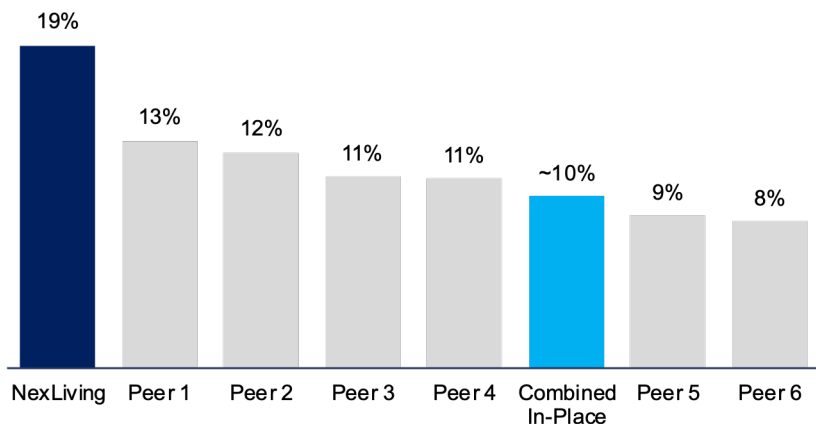
**Following the transaction, NexLiving will have an attractive debt portfolio with a weighted average cost of 3.20% and a weighted average term to maturity of 4.4 years**

(1) Includes management's expected mortgage maturities by period as of December 31, 2023

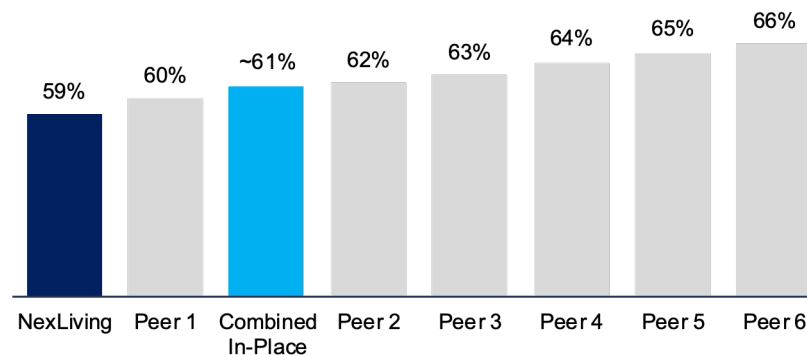
# Improved Positioning Relative to Peers



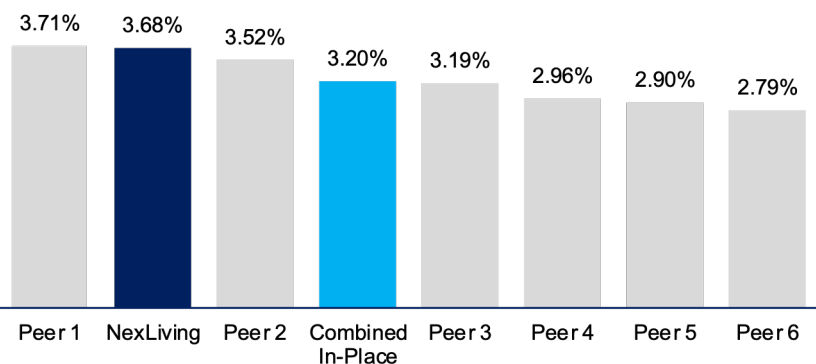
## LTM G&A as % of NOI<sup>(1)</sup>



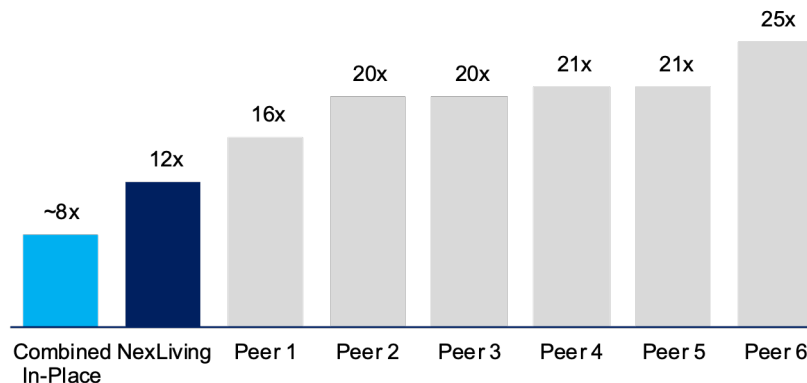
## LTM NOI Margin<sup>(1)</sup>



## Weighted Average Cost of Debt<sup>(2)</sup>



## LTM FFO Public Trading Multiples<sup>(1)</sup>



Source: Company filings, equity research, and S&P Capital IQ as of January 19, 2024

Note: Peer set includes Boardwalk, CAPREIT, InterRent, Killam, Mainstreet, and Minto

(1) Combined financials are based on In-Place financials, as disclosed on slide 9; refer to slide 15 for non-IFRS measures

(2) NexLiving average cost of debt as of December 2023, including the refinancings of Pleasant & Lewisville; combined including Devcore debt as of December 2023. Peer cost of debt as disclosed in most recent public filings



# Post Transaction Board Positioned to Succeed



<b>Jeff York</b> <i>Chairman</i>	<ul style="list-style-type: none"><li>▪ Served as Co-CEO of Farm Boy Inc. and played a key role in scaling the business and ultimate \$800 million sale to Empire Co. Ltd in 2018</li><li>▪ Former President and Chief Operating Officer of Giant Tiger Stores</li></ul>
<b>Rick Turner</b> <i>Vice Chairman</i>	<ul style="list-style-type: none"><li>▪ President, Chairman and CEO of Titanstar Investment Group Inc.</li><li>▪ Former Chairman of Invesque (TSX:IVQ) and Pure Industrial REIT (TSX:AAR.UN)</li></ul>
<b>Mike Anaka</b> <i>Director</i>	<ul style="list-style-type: none"><li>▪ 35-year career with PwC, including as Managing Partner of Atlantic Canada</li><li>▪ Significant experience with growth-oriented companies</li></ul>
<b>Bill Hennessey</b> <i>Director</i>	<ul style="list-style-type: none"><li>▪ Managing Director for Colliers and a member of Colliers national multi-family team</li><li>▪ Owner and operator having recently launched a luxury 150-unit condo, rental and boutique hotel concept in downtown Moncton</li></ul>
<b>Jean-Pierre Poulin</b> <i>Director</i>	<ul style="list-style-type: none"><li>▪ Founded Devcore in 2004 and grew business to 250+ employees across 35 companies specializing in land development, residential construction, and property management</li><li>▪ Founder and President of 1Valet, a smart building operating system</li></ul>
<b>Francis Pomerleau</b> <i>Director</i>	<ul style="list-style-type: none"><li>▪ Director of Pomerleau, a leading Canadian construction company, and was formerly the company's Chief Executive of National Strategies</li></ul>
<b>Stavro Stathonikos</b> <i>President, CEO and Director</i>	<ul style="list-style-type: none"><li>▪ 18-year capital markets career with broad experience in areas of institutional equities, capital raising and M&amp;A</li><li>▪ Advisor in a number of real estate focused transactions ranging from IPOs to restructurings to hostile takeovers</li></ul>





## Scale & Strategic Geographic Diversification

Post transaction portfolio of 2,157 units concentrated in high-growth secondary markets

## Attractive Financial Metrics & Accretion

Greater than 30% FFO/share accretion<sup>(1)</sup>, ~48 bps reduction in average mortgage interest<sup>(2)</sup>, larger cash flow base for reinvestment and de-leveraging, as well as economies of scale on G&A

## Significant Growth Opportunities

Devcore has 20 years of history in new build and value-add development with almost 2,000 remaining units post transaction

## Management and Board Alignment

Devcore team taking consideration entirely in NexLiving shares and post transaction board and management to own >50% of shares, creating alignment to drive shareholder value

(1) Based on In-Place financials as of January 2024; refer to slide 15 for non-IFRS measures

(2) NexLiving average cost of debt as of December 2023, including the refinancings of Pleasant & Lewisville; combined including Devcore debt as of December 2023





## Definitions

This presentation contains several non-IFRS financial measures and ratios that management believes provide relevant supplementary information to both management and investors in measuring the operating and financial performance of the Company. These measures are commonly used by entities in the real estate industry; however, they do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar metrics presented by other publicly traded entities. These metrics should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS.

**FFO** is defined as net income adjusted for fair value gains (losses), deferred tax expense and accretion expense. The Company's method of calculating FFO may differ from other issuers' methods and, accordingly, these measures may not be comparable to measures used by other issuers

**FFO per share – diluted** is defined as FFO for the applicable period divided by the diluted weighted average shares outstanding during the period.

**In-Place NOI** – is based on rent rolls as of January 2024 and management expectations of property level expenses using currently in-place contracts and management estimates for expenses.

**In-Place FFO** – estimated as In-Place NOI less management's expected normalized administrative expenses, net interest expense, and amortization of deferred financing costs.

## Reconciliation

<b>Reconciliation of In-Place Net Operating Income</b>	
<b>Three months ended September 30, 2023</b>	
Revenue	4,747,734
Property operating expenses	(1,785,089)
<b>Net operating income ("NOI")</b>	<b>2,962,645</b>
Adjustments:	
Revenue growth <sup>(1)</sup>	190,000
Operating expense growth <sup>(2)</sup>	(205,000)
Quarterly In-Place NOI	2,947,645
<b>In-Place NOI</b>	<b>11,790,580</b>
<b>Reconciliation of Funds From Operations</b>	
<b>Three months ended September 30, 2023</b>	
Net income (loss)	(3,009,696)
Fair value adjustments on investment properties	4,192,667
Deferred tax expense (recovery)	(350,000)
Accretion expense	-
<b>Funds From Operations ("FFO")</b>	<b>832,971</b>
Weighted average shares outstanding - diluted	16,745,721
<b>FFO per share - diluted</b>	<b>\$0.05</b>
<b>Reconciliation of In-Place FFO</b>	
<b>Three months ended September 30, 2023</b>	
FFO	832,971
Adjustments:	
NOI growth <sup>(1,2)</sup>	(15,000)
G&A growth <sup>(3)</sup>	(20,000)
Interest expense <sup>(4)</sup>	(39,000)
Amortization expense <sup>(4)</sup>	(19,000)
Interest income <sup>(5)</sup>	35,000
Quarterly In-Place FFO	774,971
<b>In-Place FFO</b>	<b>3,099,884</b>

(1) Revenue growth includes increases in property revenue due to rent increases on renewals and turnover between the three months ended September 30, 2023 and January 2024

(2) Operating expense growth represents the increase in contractual expenses along with expected increases in certain expenses and also includes a seasonality adjustment to accurately reflect the cost profile for a full year of operations

(3) G&A growth represents management's forecasted administrative expense growth

(4) Higher interest and amortization expense is due to NexLiving's refinancing activities subsequent to the three-month period ended September 30, 2023

(5) The increase in interest income is attributable to the Company's cash balance of approximately \$5.0 million as a result of the aforementioned refinancing activity