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**RELIABLE.**

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**DURABLE.**

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**GROWING.**

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September 2020 – Equity Investors



Updated November 24, 2020

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# CAUTIONARY STATEMENTS

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This presentation contains forward looking information that reflects management’s current expectations relating to matters such as future financial performance and operating results of CT Real Estate Investment Trust (“CT REIT” or the “REIT”). Forward-looking statements provide information about management’s current beliefs, expectations and plans and allow investors and others to better understand the REIT’s anticipated financial position, results of operations, business strategy and financial needs. Readers are cautioned that such information may not be appropriate for other purposes. Certain statements other than statements of historical facts included in this presentation that address activities, events or developments that CT REIT or a third-party expects or anticipates will or may occur in the future, including the REIT’s future growth, results of operations, performance and business prospects and opportunities, the length, duration and impact of COVID-19 on the business, operations and financial condition of the REIT and the assumptions underlying any of the foregoing, are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “believe”, “estimate”, “plan”, “can”, “could”, “should”, “would”, “outlook”, “forecast”, “anticipate”, “aspire”, “foresee”, “continue”, “ongoing” or the negative of these terms or variations of them or similar terminology. Specific forward-looking statements contained in this presentation include, but are not limited to, statements with respect to: the intention of the REIT to pay stable and growing distributions; the REIT’s ability to expand its asset base, make accretive acquisitions, and develop or intensify its properties; the ability of the REIT to execute its growth strategies, including its ability to pursue third party net lease opportunities; the ability of the REIT to participate with CTC in the development or intensification of the Properties; and the ability of the REIT to access available sources of debt and/or equity financing; and the REIT’s development activities. Although the REIT believes that the forward-looking information in this presentation is based on factors and assumptions about future events and financial trends that management believes may affect the REIT’s financial condition, results of operations, business strategy and financial needs, such information is necessarily subject to a number of factors that could cause actual results to differ materially from management’s expectations and plans as set forth in such forward-looking statements. Some of the factors, many of which are beyond the REIT’s control and the effects of which can be difficult to predict, include but are not limited to: that the Canadian economy will stabilize over the next 12 months and inflation will remain relatively low, despite government stimulus; that tax laws will remain unchanged; that conditions within the real estate market, including competition for acquisitions, will normalize to historical levels in the near- to medium-term; that Canadian capital markets will provide CT REIT with access to debt at reasonable rates when required and that CTC will continue its involvement with CT REIT on the basis described in its 2019 AIF. However, given the evolving circumstances surrounding COVID-19, it is difficult to predict how significant the adverse impact of the pandemic will be on the global and domestic economy, the business, operations and financial position of the REIT’s tenants, and the business, operations and financial position of the REIT. Additional risks and uncertainties related to COVID-19 are discussed in section 2.0 (Factors Affecting the REIT As A Result of COVID-19 Pandemic) of the REIT’s Management’s Discussion and Analysis for the quarter ended September 30, 2020 (“2020 Q3 MD&A”). Management cautions that the foregoing list of important factors and assumptions is not exhaustive and other factors could also adversely affect the REIT’s results. Investors and other readers are urged to consider the foregoing risks, uncertainties, factors and assumptions carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. For more information on the risks, uncertainties and assumptions that could cause the REIT’s actual results to differ from current expectations, refer to section 12.0 (Enterprise Risk Management) of the 2020 Q3 MD&A. Also refer to section 4.0 (Risk Factors) of the REIT’s 2019 Annual Information Form, and all subsections thereunder, as well as the REIT’s other public filings, available on the System for Electronic Document Analysis and Retrieval website at [www.sedar.com](http://www.sedar.com) and on the REIT’s website at <https://investors.ctreit.com>. The forward-looking information contained herein is based on certain factors and assumptions as of the date hereof and does not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made have on the REIT’s business. CT REIT does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by it or on its behalf, to reflect new information, future events or otherwise, except as required by applicable securities laws.

# INTERNAL EXECUTIVE MANAGEMENT TEAM



**Ken Silver**  
President & CEO



Former President, Canadian Tire Real Estate Limited  
Former SVP, Corporate Strategy &  
Real Estate, CTC

**Lesley Gibson** CPA, CA  
SVP & CFO



Former CAO, Choice Properties REIT  
Former EVP Finance, Primaris Retail REIT

**Kimberley Graham**  
SVP, General Counsel & Secretary



Former Associate General Counsel, CTC  
Former General Counsel, Equitable Bank

**Kevin Salsberg**  
COO



Former EVP and CIO, Plaza Retail REIT  
Former COO, KEYreit

Highly  
experienced  
with in-depth  
market knowledge

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**STRATEGIC**

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**OVERVIEW**

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# INVESTMENT HIGHLIGHTS



5-year AFFO/Unit CAGR<sup>(1)</sup> – 6.5%

5-year NAV/Unit CAGR<sup>(1)</sup> – 5.8%

Q3 2020 YTD AFFO Payout Ratio – 76.8%

Seven distribution increases since 2013 IPO

S&P and DBRS – BBB investment grade credit rating

Canada's premier  
Net Lease REIT

(1) Calendar years 2014-2019

# COVID-19 UPDATE



Strong rent collections: 98.8% for Q3 2020 and 99.1% for October 2020

Occupancy Rate of 98.8% with 95% of annualized base minimum rent from investment grade tenants

\$331M in cash and available Credit Facilities<sup>(1)</sup>

Unsecured properties with an IFRS value of ~\$6.0 billion<sup>(1)</sup>

Increase in distributions effective September 2020

Resilience in  
uncertain times

(1) As of September 30, 2020

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## CORE ATTRIBUTES

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Track record of distribution increases

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Investment grade tenant base

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Net-lease structure provides stable and predictable rental growth with CTC average annual base minimum rent escalations of 1.5%

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High quality and diverse geographic portfolio - 358 properties across all 10 provinces and 2 territories

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Privileged relationship with CTC provides future portfolio growth

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Net lease focus provides opportunities for tenant and asset class diversification

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One of the longest weighted average remaining lease terms in the sector - 9 years

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Conservative balance sheet

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CT REIT offers  
growth and  
reliability

# ICONIC CANADIAN RETAILER



~100% Brand Recognition

98 years in business

80%+ of Canadians shop at Canadian Tire stores each year

Positive annual comparable store sales growth for the last ~10 years

CTC family of banners:



Canadian Tire Corporation is one of Canada's most admired and trusted companies



## AN EXCEPTIONAL MAJOR TENANT



**\$8.4B**

Market Capitalization

**\$14.3B**

Consolidated Revenue

**BBB**

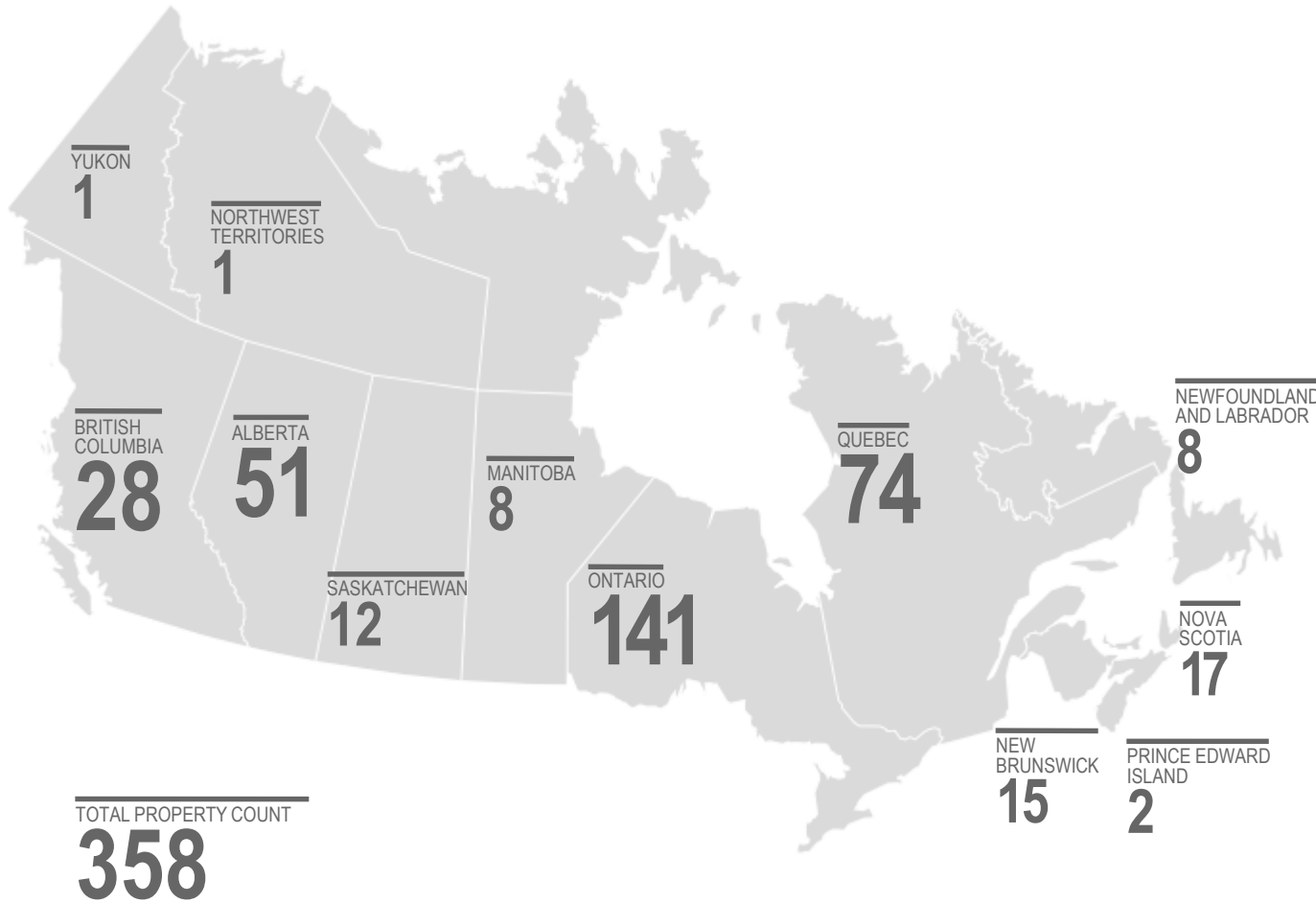
Investment grade rating<sup>(1)</sup>



CTC provides  
91.5% of CT REIT's  
annualized base  
minimum rent

All figures as at Q3 2020  
(1) Source: Standard & Poors and DBRS

# IRREPLACEABLE NATIONAL PORTFOLIO



~\$6.1B

Fair market value

28.0M

Square feet of GLA<sup>(1)</sup>

All figures as at September 30, 2020

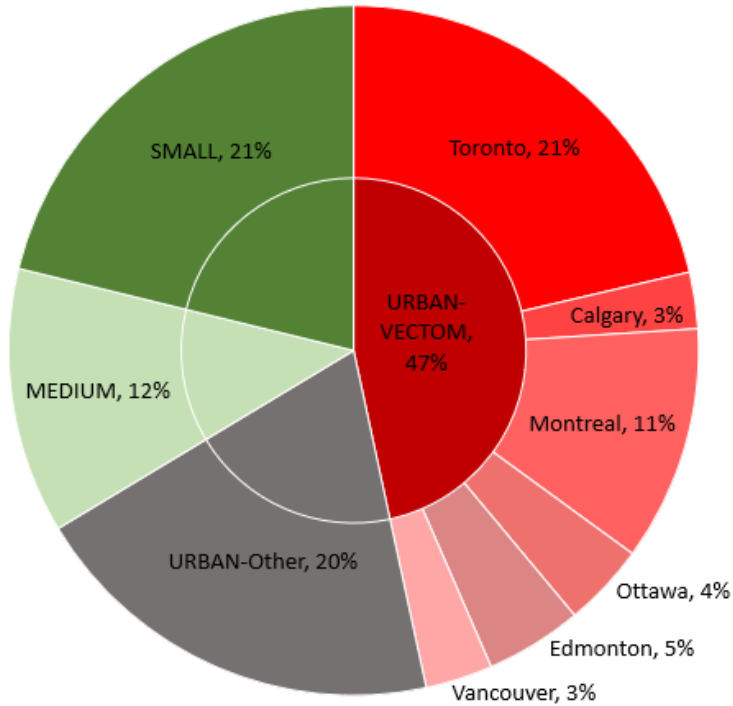
(1) Excluding Properties Under Development

# HIGH QUALITY PORTFOLIO



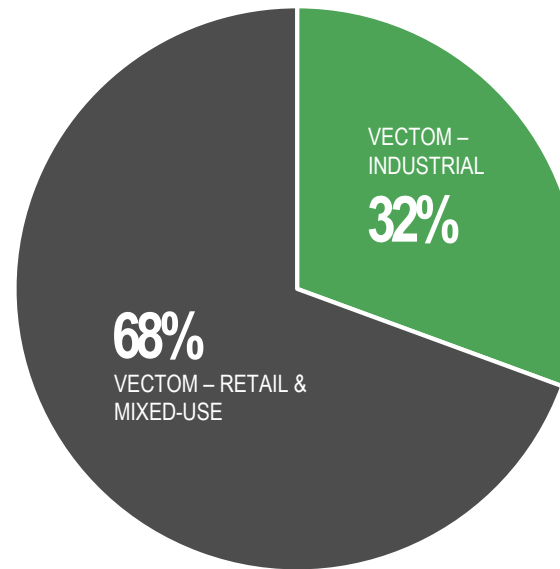
## BY MARKET<sup>(1)(3)</sup>

% OF ANNUALIZED BASE MINIMUM RENT



## VECTOM<sup>(2)</sup> BY PROPERTY TYPE

% OF TOTAL GLA



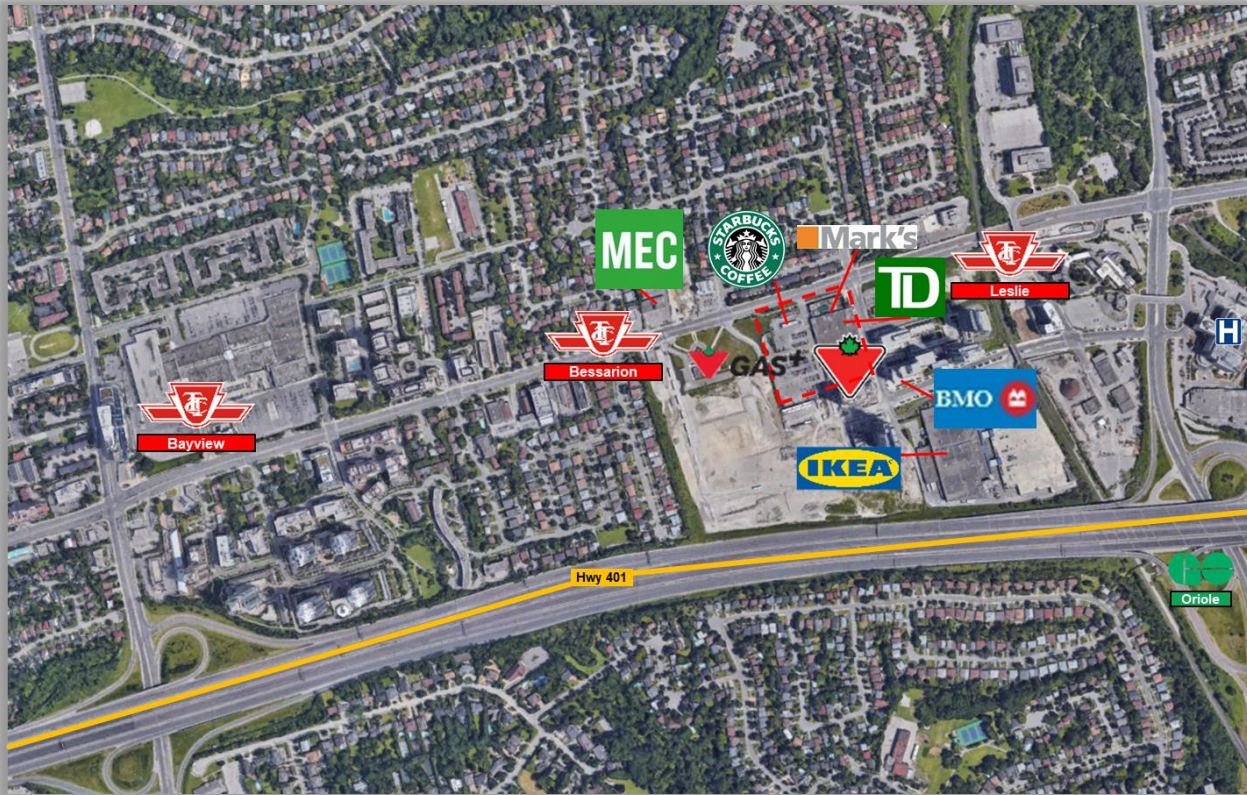
47% of Base Minimum Rent from:

- Vancouver
- Edmonton
- Calgary
- Toronto
- Ottawa
- Montreal

All figures as at September 30, 2020

- (1) Excludes development properties and includes Canada Square at the REIT's one-half share.
- (2) VECTOM: six largest urban markets in Canada; Vancouver, Edmonton, Calgary, Toronto, Ottawa, Montreal
- (3) Urban: Population >100,000; Medium: Population 20,000 – 100,000; Small: Population <20,000

# STRATEGIC LOCATIONS



Leslie & Sheppard Ave, Toronto, ON

High traffic and transit oriented locations in growing markets

Prime locations in urban centres

Dominant positions in secondary markets



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# GROWTH

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# STRATEGIES

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**CT** REIT

# GROWTH LEVERS



CTC  
Acquisitions



Development



Intensifications



Third Party



Embedded Organic Growth

**1.5%**

Annual rent escalations  
(on average)<sup>(1)</sup>

**9.2 years**

Weighted average remaining  
lease term<sup>(1)</sup>

Uniquely positioned to leverage relationship with CTC and pursue third party net lease opportunities to complement organic growth

(1) Canadian Tire store leases as at September 30, 2020



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# CASE

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# STUDIES

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**CT** REIT

# CTC ACQUISITIONS



Toronto, ON

Operating retail locations leased back to CTC on a long term basis

2M square feet of industrial assets acquired and leased to CTC since IPO (Bolton and Calgary industrial properties)

Currently, there are approximately 25 properties owned by CTC expected to meet investment criteria

Redundant properties to be redeveloped

Privileged relationship

Right of first offer on all CTC properties



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# DEVELOPMENT

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## Greenfield Developments



Charlottetown, PEI

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CT REIT is uniquely positioned to participate in the development of Canadian Tire stores and Canadian Tire anchored developments

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CTR Greenfield Developments – twelve completed with one currently under development

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CT REIT has a preferential right to participate in the development of CTC owned Canadian Tire related properties

# DEVELOPMENT

## Redevelopment Project: Arnprior Mall, Arnprior, Ontario

### BEFORE



### AFTER



Acquired from a third party in 2015

Eliminated common areas and increased GLA by almost 20K square feet without expanding the building

Occupancy increased from 53% at time of purchase to 97% as at September 30, 2020

Acquiring and repositioning under-managed assets; leveraging strategic relationship

# INTENSIFICATIONS



Thunder Bay, ON

Since IPO, CT REIT has funded 76 expansion projects for Canadian Tire Corporation and ancillary tenants

Over 500K square feet of incremental GLA added due to intensification projects

Incremental  
density on owned  
surplus lands

# THIRD PARTY ACQUISITIONS



## Consolidation of Canadian Tire Property Ownership



Collingwood, ON

Consolidating the ownership of Canadian Tire tenanted properties from third parties

Approximately 1/4 of Canadian Tire properties are owned by third parties

Opportunity to consolidate Canadian Tire stores and supply chain assets

CT REIT has acquired 15 Canadian Tire anchored properties from 3<sup>rd</sup> parties totalling 2M square feet of GLA

# THIRD PARTY ACQUISITIONS

## Net Leased Properties

REIT has broader triple net leased properties investment strategy

Leverage CTC's local insight and market knowledge



Waterloo, ON



Banff, AB

Non-CTC related opportunities

# THIRD PARTY ACQUISITIONS



## Urban Mixed Use Redevelopment Opportunity – Canada Square



2200 – 2210 Yonge Street

2180 Yonge Street

CT REIT and Oxford Properties Group each own a 50% interest in the Canada Square Complex.

Complex currently totals 841K SF of GLA, including 3 interconnected office towers, a multiplex cinema, a retail concourse and a 745 parking stall facility.

CT REIT and Oxford have entered into a conditional Consolidated, Amended and Restated Ground Lease with the Toronto Transit Commission that provides the terms upon which the co-owners can proceed with planning for the redevelopment of the complex.

A conditional lease agreement has also been entered into with CTC for a new head office building to anchor Phase I of the redevelopment.

Nine acre mixed-use redevelopment site located at one of Toronto's most prominent intersections

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# FINANCIAL OVERVIEW

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**CT** REIT



## LONG-TERM LEASES ENHANCE PREDICTABILITY



# 95%

Of annualized base minimum rent from investment grade tenants<sup>(1)</sup>

# 9.0 years

Weighted average remaining lease term<sup>(1)</sup>

# 1.5%

Annual rent escalations<sup>(2)</sup>

# 98.8%

Occupancy<sup>(1)</sup>

All figures as at September 30, 2020

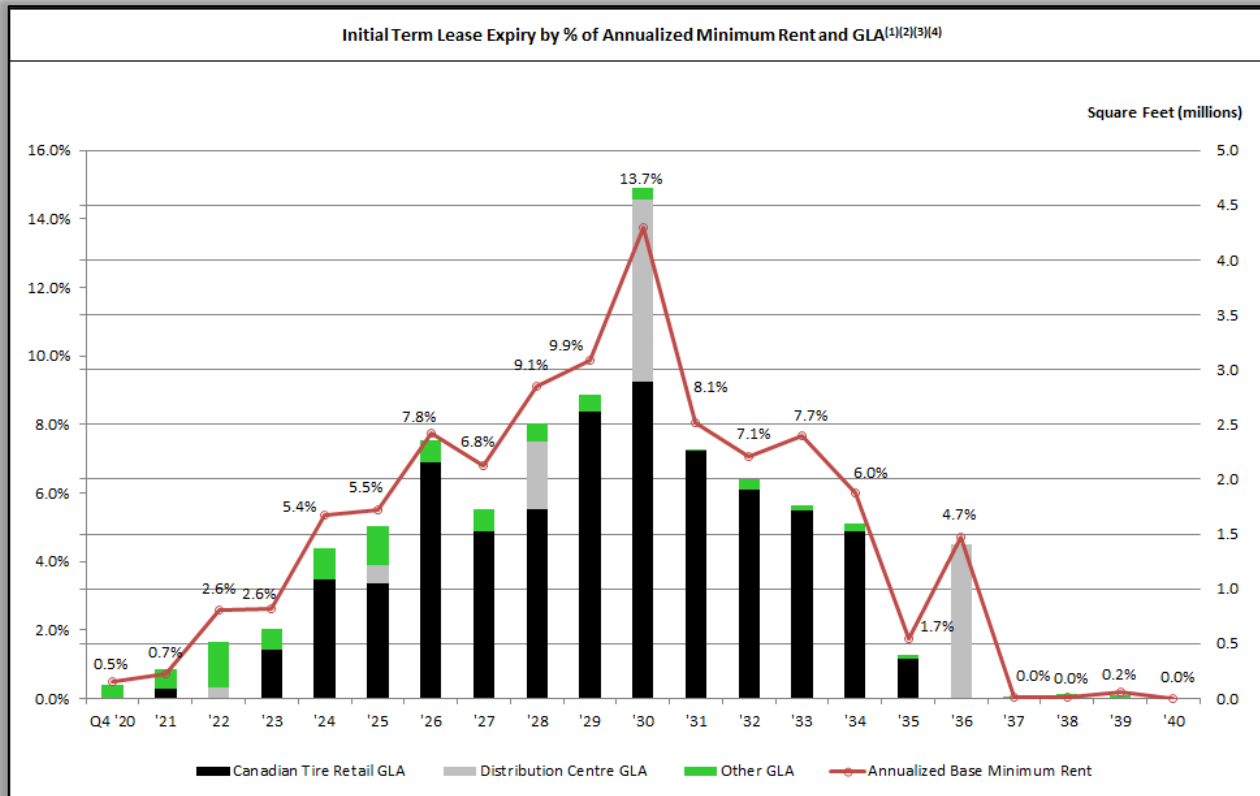
- (1) Occupancy and other leasing key performance measures have been prepared on a committed basis which includes the impact of existing lease agreements contracted on or before September 30, 2020
- (2) Canadian Tire stores only (on average)



Property revenue is reliable and growing



# LONG-TERM LEASE MATURITIES



Minimal lease rollovers for 4+ years

- (1) Excludes Properties Under Development.
- (2) Total base minimum rent excludes future contractual escalations.
- (3) Canada Square is included at the REIT's one-half share of leasehold interest.
- (4) Occupancy and other leasing key performance measures have been prepared on a committed basis which includes the impact of existing lease agreements contracted on or before September 30, 2020.

## LEAN COST STRUCTURE



CTC leases triple net; base rent, operating costs (including insurance) and capex paid by tenant

G&A as a percentage of revenues are 2.6%<sup>(1)</sup>

Internalized property management functions; any services provided by CTC are on a cost recovery basis <sup>(2)</sup>

No fees paid to CTC for acquisitions, dispositions, intensifications or financings

Continuing to increase efficiency through insourcing of certain service providers

(1) YTD as at September 30, 2020 and excluding fair value adjustments on unit-based awards  
(2) Pursuant to Property Management and Services Agreement with Canadian Tire Corporation

One of the lowest cost structures in the REIT sector

## INVESTMENT GRADE CAPITAL STRUCTURE



**BBB**

Investment grade rating<sup>(1)</sup>

**42.2%**

Debt/Gross Book Value

**3.51x**

EBITFV interest coverage ratio

**6.85x**

Debt to EBITFV

Predictable and durable

Strong balance sheet supports growth and distributions

All figures are YTD September 30, 2020  
(1) Source: Standard & Poors and DBRS

# DEBT



## TOTAL DEBT (000'S)<sup>(1)</sup>

Class C LP Units (unsecured)	\$1,451,550
Debentures (unsecured)	\$1,071,344
Bank Credit Facilities (unsecured)	\$0
CTC Credit Facilities (unsecured)	\$0
Mortgages (secured)	\$66,082
<b>TOTAL</b>	<b>\$2,588,976</b>

## LIQUIDITY:

Weighted average fixed interest/distribution rate of 3.87% during current term<sup>(2)</sup>

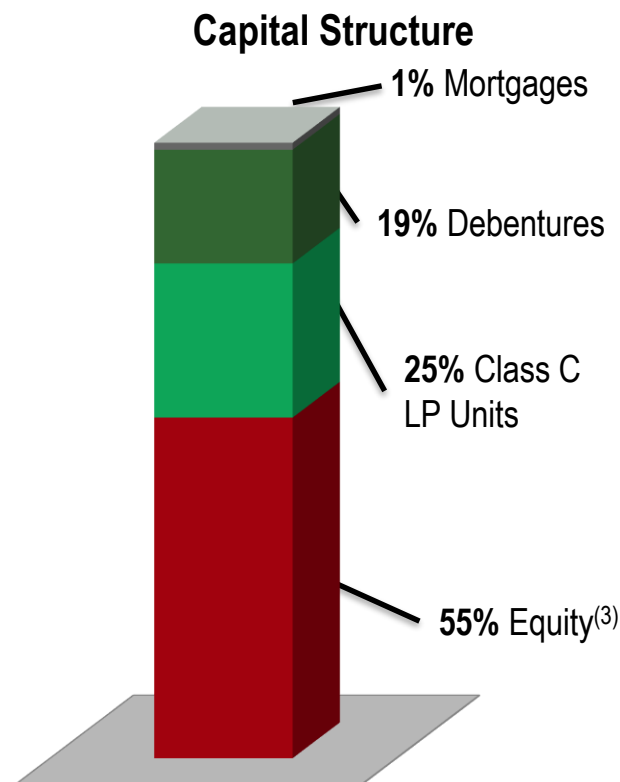
\$300 million unsecured revolving bank credit facility

All figures as at September 30, 2020

(1) Includes indebtedness and aggregate par value of Class C LP Units held by CTC

(2) Excludes credit facilities

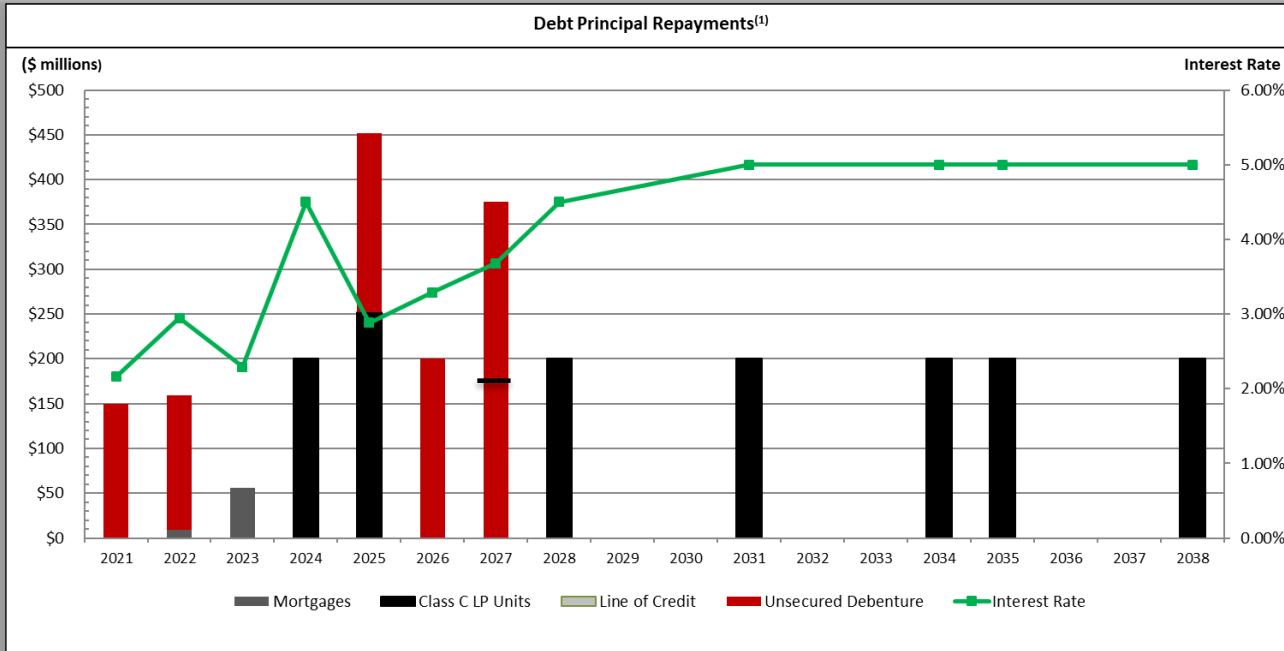
(3) September 30, 2020 Unit price used



Conservative leverage

Strong credit metrics

# DEBT MATURITIES



Staggered debt maturities

One of the longest weighted average terms to maturity in the sector

No debt maturities until May 2021

97% of total debt is unsecured; all unsecured debt is interest only

98% of total debt is fixed rate debt

Weighted Average Term to Maturity: 8 years

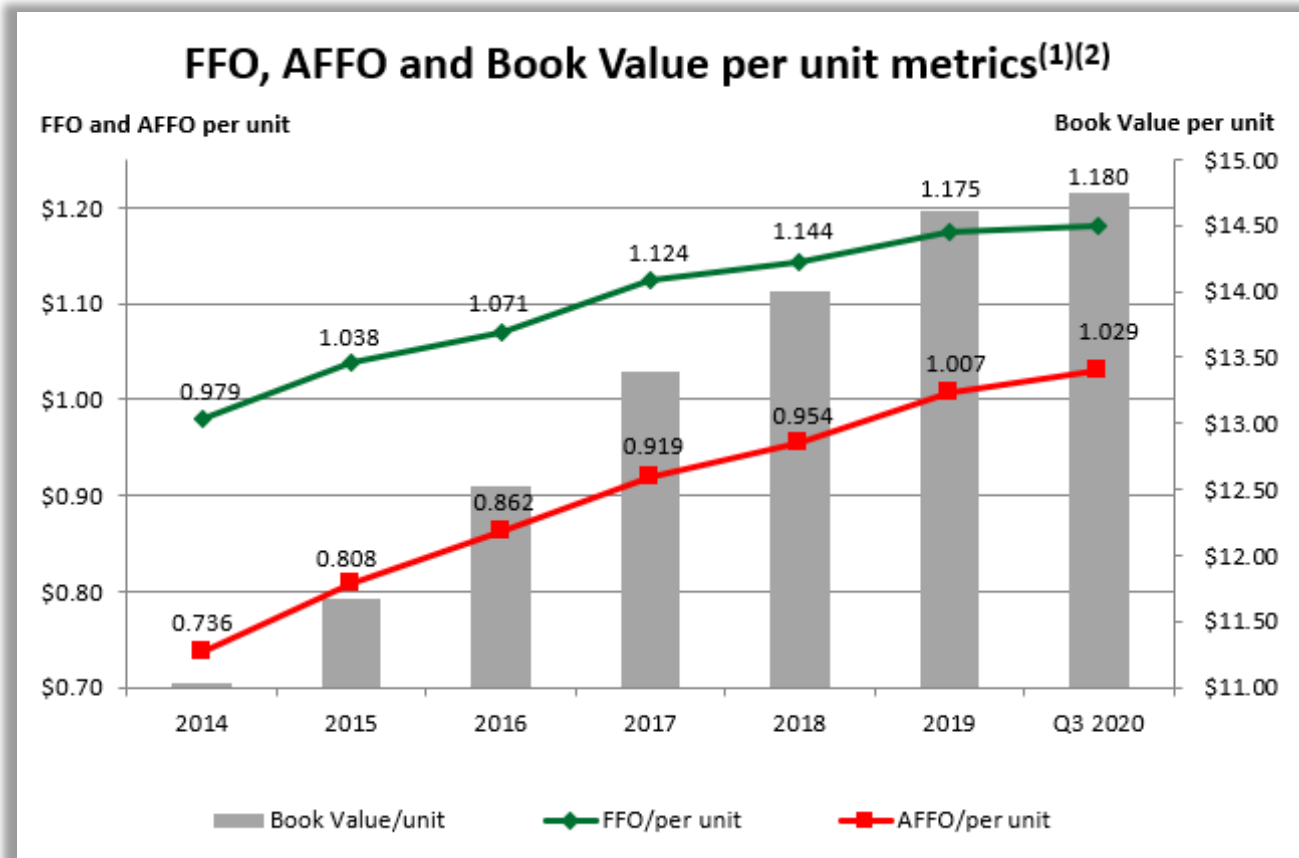
All figures as at September 30, 2020

(1) Two Maturities in 2027: \$175M & \$200M, maturing September and December 2027 respectively

# GROWING FFO AND AFFO



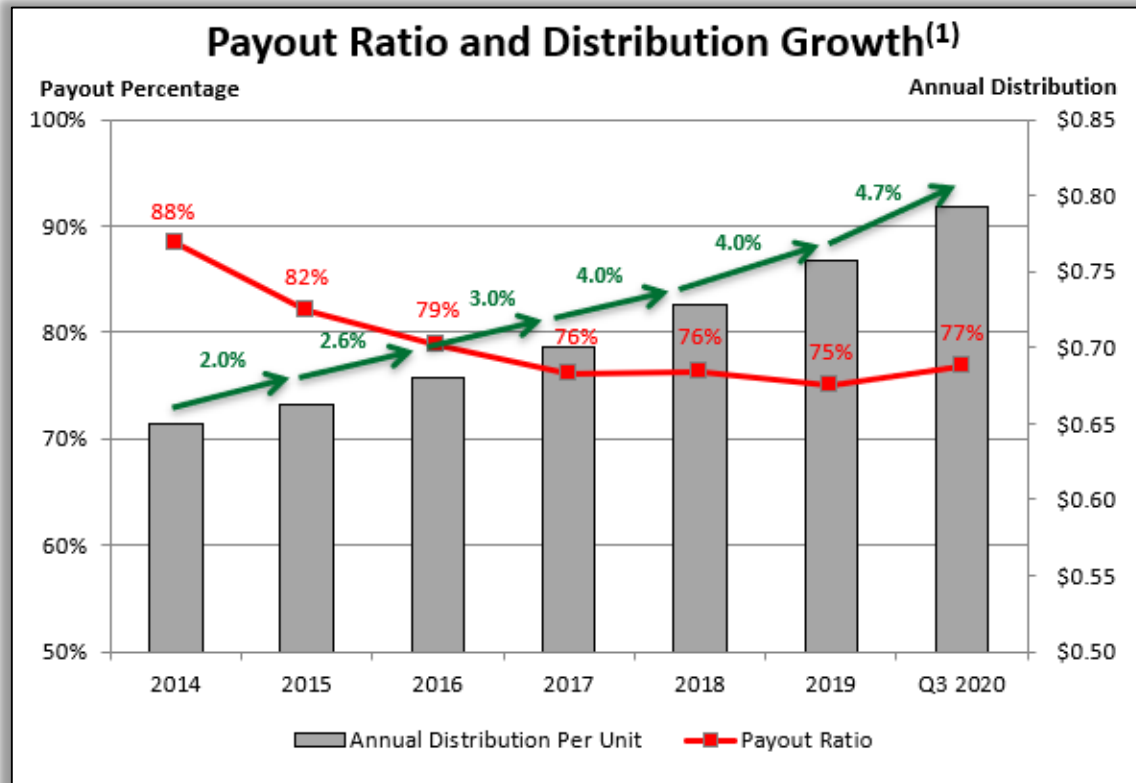
Attractive record of per unit growth



All values as of Year End, except Q3 2020 (FFO and AFFO Q3 YTD annualized and Book Value as of Quarter End)

- (1) Total Units consist of REIT Units and Class B LP Units outstanding.
- (2) Diluted Units used in calculating non-GAAP measures include restricted and deferred units issued under various plans and exclude the effect of assuming that all of the Class C LP Units will be settled with Class B LP Units.

# DISTRIBUTION INCREASES EVERY YEAR SINCE IPO WITH A CONSERVATIVE PAYOUT RATIO



Seven distribution increases, 21% compound growth since 2013 IPO

Target Payout Ratio of 75-80%

Excess of AFFO over distributions – \$55.1M<sup>(1)</sup>

(1) As at September 30, 2020 – Q3 2020 annualized

Growing distributions while conservatively managing payout ratio

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**ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE**

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# ESG AN IMPERATIVE FOR CT REIT AND CTC



CT REIT's approach to ESG is premised on developing and leveraging new and existing CT REIT and CTC initiatives that support our commitment to: limit our environmental impact, invest in our employees, contribute to Canadian communities, conduct our business honestly and with integrity, including in dealings with investors, tenants, suppliers and other stakeholders, and be transparent in how we govern ourselves.

As a net lease REIT, the primary goal of our sustainability strategy is to align with that of our most significant tenant, CTC, to work together to further our respective sustainability objectives. To date the focus has been on the reduction of GHG emissions and energy consumption. In 2019, from 2018, energy consumption decreased 11% and GHG emissions were down 8%<sup>(1)</sup>. Continued efforts will focus on our commitment to improving environmental and social outcomes.

Please see CTC's sustainability page to review the 2019 Environmental Sustainability Report: <https://corp.canadiantire.ca/English/sustainability/default.aspx>

Canadian Tire Jumpstart Charities is the primary vehicle for fundraising and charitable giving for the CTC family of companies

Canadian Tire Jumpstart Charities has provided funding to more than 2 million kids to participate in sports, including funding for the development of inclusive playgrounds for kids of all abilities

CT REIT benefits from CTC's leadership in sustainability and corporate social responsibility

(1) Energy consumption in GJ and GHG emissions in CO2 equivalent

# MAJORITY INDEPENDENT BOARD



TRUSTEES	INDEPENDENT	HIGHLIGHTS
<b>David Laidley</b> <small>FCPA, FCA</small> Chairman of the Board	Yes	Corporate Director Former Chair, Deloitte Former Partner, Deloitte Former Lead Director, Bank of Canada
<b>Heather Briant</b> Chair of Governance, Compensation and Nominating Committee	Yes	Corporate Director Former SVP, Human Resources of Cineplex Inc.
<b>Anna Martini</b> <small>FCPA, FCA</small> Chair of Audit Committee	Yes	Corporate Director CFO and EVP of Finance, Club de Hockey Canadien Inc. Former President, Groupe Dynamite Inc. Former Partner, Deloitte
<b>John O'Bryan</b> Chair of Investment Committee	Yes	Corporate Director Honorary Chairman, CBRE Limited Former Managing Director, TD Securities
<b>Kelly Smith</b>	Yes	Corporate Director Former CEO, Strathallen Capital Corp Former Managing Director, Canada Operations, Kimco Realty Corporation
<b>Greg Hicks</b>	No	President & CEO, Canadian Tire Corporation Former President of Canadian Tire Retail, Canadian Tire Corporation
<b>Dean McCann</b> <small>CPA, CA</small>	No	Strategic Advisor to CTC and Director of Canadian Tire Bank Former EVP and CFO, Canadian Tire Corporation Former President, Canadian Tire Financial Services Limited
<b>Ken Silver</b>	No	CEO, CT REIT Member, Board of Governors, York University

Committed to having a diverse array of experience, skills and perspectives, grounded in strong governance

# CORPORATE GOVERNANCE



Trustee	Board	Audit Committee	Governance, Compensation and Nominating Committee	Investment Committee
Heather Briant	✓		✓ (Chairman)	✓
Greg Hicks	✓			✓
David Laidley	✓ (Chairman)	✓	✓	
Anna Martini	✓	✓ (Chairman)	✓	
Dean McCann	✓			✓
John O'Bryan	✓	✓		✓ (Chairman)
Ken Silver	✓			
Kelly Smith	✓		✓	✓

Independent trustees decide on all related party matters

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## NON-GAAP MEASURES

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**FFO:** “FFO” is a non-GAAP financial measure and has the meaning given to it in the White Paper on FFO & AFFO. It is calculated as net income in accordance with GAAP, adjusted by removing the impact of: (i) fair value adjustments on investment properties; (ii) other fair value adjustments; (iii) gains and losses on the sale of investment properties; (iv) incremental leasing costs; (v) operational revenue and expenses from right-of-use assets; and (vi) deferred taxes.

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**AFFO:** “AFFO” is a non-GAAP financial measure and has the meaning given to that term in Real property Association of Canada’s white paper titled “White Paper on Funds From Operations & Adjusted Funds from Operations for IFRS” (the “White Paper on FFO & AFFO”) issued in February 2019. It is calculated as FFO subject to certain adjustments to remove the impact of recognizing property rental revenues or expenses on a straight-line basis, and the deduction of a reserve for normalized maintenance capital expenditures, tenant inducements and leasing commissions.

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**AFFO per Unit:** “AFFO per Unit” is defined as AFFO divided by the number of Units outstanding where the total Units consists of REIT Units and Class B LP Units outstanding. Total Units also includes diluted Units used in calculating non-GAAP measures and include restricted and deferred units issued under various plans and exclude the effect of assuming that all of the Class C LP Units will be settled with Class B LP Units.

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FFO and AFFO are not measures defined under IFRS. FFO and AFFO are not intended to represent operating profits for the period nor should any of these measures be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP. Readers should be further cautioned that these measures may not be comparable to similar measures presented by other issuers.

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