

# ALLIED

**ALLIED ANNOUNCES \$200 MILLION EQUITY OFFERING  
TO FUND 2019 URBAN DEVELOPMENT PROGRAM**

**Toronto, February 26, 2019** -- Allied Properties Real Estate Investment Trust (TSX:AP.UN) announced today that it has entered into an agreement with a syndicate of underwriters led by Scotiabank, RBC Capital Markets and Goldman Sachs Canada Inc. as joint bookrunners, to issue to the public, on a bought-deal basis, 4,320,000 units from treasury at a price of \$46.30 per unit for gross proceeds of approximately \$200 million. Allied has granted the underwriters an option (the "Over-Allotment Option") to purchase up to an additional 648,000 units on the same terms and conditions, exercisable at any time, in whole or in part, for a period of 30 days following the closing of the offering. The issue will be offered in all provinces of Canada. Closing of the offering is expected to occur on or about March 7, 2019, and is subject to regulatory approvals.

Allied makes this offering pursuant to its base shelf prospectus dated November 27, 2018. The terms of the offering will be described in a prospectus supplement to be filed with Canadian securities regulators.

**The units being offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the units in the United States or in any jurisdiction in which such offer, sale or solicitation would be unlawful.**

Allied will use the net proceeds of the offering to repay amounts drawn on its unsecured line of credit to fund its ongoing urban development activity, effectively funding two-thirds of its 2019 urban development program with equity. Allied expects to allocate \$830 million to its urban development program in the next four years, with approximately \$300 million being allocated this year, \$230 million in each of 2020 and 2021 and \$70 million in 2022. Allied expects to complete 10 urban development projects within that timeframe with aggregate GLA (at its share) of approximately 2.3 million square feet, 175,000 of which will be in Vancouver, 311,000 in Calgary, 300,000 in Montréal and the balance (approximately 1.53 million) in Toronto.

The offering reaffirms Allied's unwavering commitment to the balance sheet and key debt-metrics. After giving effect to the offering, Allied expects that its total indebtedness ratio will be 27.5%, its net debt

as a multiple of annualized adjusted EBITDA will be 6.7:1 and its interest coverage ratio will be 3.5:1. Allied's pool of unencumbered investment properties will remain at \$4.3 billion on closing of the offering. Management considers this particularly appropriate in the context of Allied's growing and successful urban development pipeline.

"By using equity to fund two-thirds of our 2019 urban development program, we'll further strengthen our debt-metrics," said Michael Emory, President and CEO. "This will enable us to execute our development program over the next four years with added financial flexibility and discipline. We expect our development program to contribute meaningfully to our AFFO and NAV per unit growth over that timeframe."

### **About Allied**

Allied is a leading owner, manager and developer of (i) distinctive urban workspace in Canada's major cities and (ii) network-dense urban data centres in Toronto that form Canada's hub for global connectivity. Allied's business is providing knowledge-based organizations with distinctive urban environments for creativity and connectivity.

### **Cautionary Statements**

AFFO, EBITDA and NAV are not financial measures defined by International Financial Reporting Standards ("IFRS"). Please see Allied's MD&A for a description of these measures and their reconciliation to financial measures defined by IFRS, as presented in Allied's most recent financial statements. These statements, together with accompanying notes and MD&A, have been filed with SEDAR, [www.sedar.com](http://www.sedar.com), and are also available on Allied's web-site, [www.alliedreit.com](http://www.alliedreit.com).

This press release may contain forward-looking statements with respect to (i) Allied, (ii) its operations, strategy, financial performance and condition, (iii) its capital investments in 2019 and beyond, (iv) its expected growth in AFFO per unit following closing of the offering, (v) its debt ratio, net debt as a multiple of annualized adjusted EBITDA and interest coverage ratio following the closing of the offering and (vi) expected growth in NAV per unit following closing of the offering. These statements generally can be identified by use of forward looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Allied discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including that the transactions contemplated herein are completed. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations and the factors described under "Risk Factors" in Allied's Annual Information Form, which is available at [www.sedar.com](http://www.sedar.com). These cautionary statements

qualify all forward-looking statements attributable to Allied and persons acting on Allied's behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and the parties have no obligation to update such statements.

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