

# ALLIED

## ALLIED ANNOUNCES \$300 MILLION EQUITY OFFERING TO FUND ITS ONGOING ACQUISITION AND VALUE-ADD PROGRAMS ON A LEVERAGE-NEUTRAL BASIS

**Toronto, November 25, 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, 5,700,000 units from treasury at a price of \$52.70 per unit for gross proceeds of approximately \$300 million. Allied has granted the underwriters an option (the "Over-Allotment Option") to purchase up to an additional 855,000 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 December 4, 2019, and is subject to regulatory approvals.

Allied makes this offering pursuant to its base shelf prospectus dated November 19, 2019. 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 fund (i) its ongoing acquisition program, including the three strategic in-fill acquisitions described below, (ii) its ongoing value-add program, which includes development costs and revenue-enhancing capital expenditures, and (iii) general trust expenditures. In making this offering, Allied's goal is to fund its extensive and ongoing acquisition and value-add programs on an essentially leverage-neutral basis in relation to its position at the end of the third quarter of 2019.

Allied recently entered into agreements to acquire three strategic in-fill properties, one in Montréal, one in Toronto and one in Calgary, for an aggregate purchase price of \$53 million. The Montréal acquisition will augment one of Allied's Class I concentrations on Saint-Laurent Boulevard. The Toronto acquisition will augment Allied's Class I assembly between Front Street East and The Esplanade. The Calgary acquisition will augment Allied's extensive Class I portfolio along the Beltline. The acquisitions are scheduled to close late in

2019 or early in 2020. Allied expects the acquisitions to be modestly accretive to its FFO and AFFO per unit in 2020 and beyond.

To date in 2019, Allied has allocated \$600 million to its acquisition program and \$400 million to its value-add program. On closing of this offering, Allied will have funded approximately 87% of the \$1 billion allocated to its acquisition and value-add programs with equity and approximately 13% with debt. Allied expects to allocate additional capital to its acquisition and value-add programs over the remainder of 2019 and into 2020. By early 2020, Allied expects its funding will be essentially leverage-neutral in relation to its position at the end of the third quarter of 2019.

### **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**

FFO, AFFO and EBITDA 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 unaudited condensed consolidated financial statements for the quarter ended September 30, 2019. 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 FFO and AFFO per unit following closing of the offering and (v) its debt ratio, net debt as a multiple of annualized adjusted EBITDA and interest coverage ratio following the 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 and have the expected impact on earnings. 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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