

# ALLIED

## ALLIED TO ACQUIRE MAJOR CLASS I COMPLEX IN MONTRÉAL

**Toronto, December 9, 2019** -- Allied Properties Real Estate Investment Trust (TSX:AP.UN) announced today that it has entered into an agreement to acquire a large and important Class I complex in Montréal, 747 Square-Victoria Street ("747 Square-Victoria"), for \$276 million. The agreement is subject to regulatory approval but not subject to due-diligence, which Allied has completed to its satisfaction.

### **747 Square-Victoria Street, Montréal**

747 Square-Victoria is a Class I complex located in the heart of the International Quarter, a heritage- and amenity-rich area that connects the Downtown Core with Old Montréal. It will enhance Allied's ability to serve knowledge-based organizations in urban Montréal as it transforms to a primary North American office market for TAMI (tech, advertising, media and information) users.

Comprising a large part of the city block bounded by Saint-Antoine on the north, Saint-Pierre on the east, Saint-Jacques on the south and Square-Victoria on the west, 747 Square-Victoria was created by integrating heritage structure along Saint-Antoine and Saint-Jacque with new structure along a historic laneway (Ruelle des Fortifications) that extends the length of the block from Saint-Pierre to Square-Victoria. Now an integral part of the complex, the laneway rises to a glass canopy along the roofline of the integrated structures forming an atrium that facilitates access to the extensive retail and office uses within the complex. Completed in the early 1990s, the complex is comprised of 519,574 square feet of office GLA, 43,015 square feet of retail GLA and 858 underground parking spaces. The possibility exists to create additional office and retail GLA by transforming portions of the common areas and adding approximately 60,000 square feet of office GLA. The complex is 90.7% leased, and has a weighted-average lease term in excess of six years.

747 Square-Victoria is located in close proximity to (and is essentially connected with) Allied's 700 de la Gauchetière Street West ("700 DLG") and 425 Viger Avenue West ("425 Viger"). The proximity and connectivity will enhance Allied's ability to coordinate and enrich the user experience at all three buildings over time.

On closing, 747 Square-Victoria will be free and clear of mortgage financing. Allied has funded the acquisition cost on an essentially leverage-neutral basis with its recently completed equity offering. This will be accretive to Allied's FFO and AFFO per unit at the outset and will become more accretive with each passing year.

## **Urban Montréal**

Allied has owned, managed and redeveloped urban workspace in Montréal since 2005. It currently owns 20 urban properties that collectively comprise 5.6 million square feet of GLA, including 700 DLG (1,000,969 square feet), 5445 and 5455 de Gaspé Avenue (969,558 square feet), Cité Multimédia (958,849 square feet) and Nordelec (877,376 square feet).

Montréal has emerged as a premier urban environment in Canada for knowledge-based organizations. This derives in large part from the number and quality of the institutions of higher learning in the city. The scale and quality of the built-legacy in Montréal has also contributed to its remarkable emergence in the past decade.

## **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.

**For more information, please contact:**

Michael Emory, President & CEO  
(416) 977-0643  
[memory@alliedreit.com](mailto:memory@alliedreit.com)

Tom Burns, Executive Vice President & COO  
(416) 977-9002  
[tburns@alliedreit.com](mailto:tburns@alliedreit.com)

Cecilia Williams, Executive Vice President & CFO  
(416) 977-9002  
[cwilliams@alliedreit.com](mailto:cwilliams@alliedreit.com)