

ALLIED

ALLIED ANNOUNCES LAUNCH OF \$600 MILLION GREEN BOND OFFERING

Toronto, February 5, 2021 -- Allied Properties Real Estate Investment Trust (TSX:AP.UN) ("Allied") announced today that it has launched an offering of \$600 million aggregate principal amount of series H senior unsecured debentures (the "Debentures"). The Debentures are being offered on an agency basis by a syndicate of agents led by Scotia Capital Inc., BMO Nesbitt Burns Inc. and CIBC World Markets Inc. Allied intends to provide further details of the offering, including pricing information, when available.

The Debentures are Allied's inaugural Green Bond issuance under its previously announced Green Financing Framework, which is available on Allied's website at <https://www.alliedreit.com/company/esg/>.

"Not only is this a meaningful step forward for our ESG program, the use of proceeds will improve our interest coverage ratio, extend the weighted average term of our debt and augment our pool of unencumbered investment properties," said Michael Emory, President and CEO. "While not a specific objective of the offering, the use of the proceeds will also increase our annual cashflow per unit by approximately three cents."

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.

Allied intends to allocate the net proceeds of the offering to fund the financing and/or refinancing of eligible green projects ("Eligible Green Projects") as described in the Allied Green Financing Framework (the "Framework"). Prior to allocation of the net proceeds of the offering to Eligible Green Projects, Allied intends to use the net proceeds of the offering (a) to redeem in full the \$150 million aggregate principal amount of 3.934% series B senior unsecured debentures due November 14, 2022 (the "Series B Debentures"), (b) to repay a first mortgage in the amount of \$150 million secured by 700 de la Gauchetière West, Montréal, (c) to repay certain amounts drawn on Allied's unsecured credit facility, and (d) for general trust purposes. The net proceeds will ultimately be allocated to Eligible Green Projects in accordance with the Framework.

Although Allied intends to allocate an amount equal to the net proceeds of this offering as described herein, it will not be an Event of Default under the Series H Indenture if Allied fails to do so.

This news release does not constitute a notice of redemption of the Series B Debentures. Information concerning the terms and conditions of the redemption of the Series B Debentures will be included in a notice of redemption distributed to holders of the Series B Debentures.

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

This press release may contain forward-looking statements with respect to Allied including its intended use of the net proceeds of the offering and impact on leverage, our interest coverage ratio, the weighted average term of our debt, our pool of unencumbered investment properties, and annual cashflow per unit. 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 the effect of the global pandemic and consequent economic disruption. 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. 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.

The Debentures 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 Debentures in the United States or in any jurisdiction in which such offer, sale or solicitation would be unlawful.

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