

ALLIED

ALLIED ANNOUNCES LAUNCH OF \$500 MILLION GREEN BOND OFFERING

Toronto, August 3, 2021 -- Allied Properties Real Estate Investment Trust (TSX:AP.UN) ("Allied") announced today that it has launched an offering of \$500 million aggregate principal amount of series I 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 second green bond issuance under its previously announced Green Financing Framework, which is available on Allied's website at <https://www.alliedreit.com/company/esg/>.

"This second green bond financing is an important step in solidifying our bond market franchise," said Michael Emory, President & CEO. "It will enable us to do the following: (i) fix our interest cost on \$494 million of debt for a term of 10.5 years; (ii) increase the weighted average term to maturity of our debt from 5.9 years to 7.3 years; (iii) increase the unencumbered portion of our portfolio to 96%; (iv) improve our interest coverage ratio from 3.3 to 3.5 times; and (v) maintain our net debt as a multiple of annualized adjusted EBITDA."

Allied makes this offering pursuant to its base shelf prospectus dated June 2, 2021. 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 prepay approximately \$494 million aggregate principal amount of first mortgages and (b) 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 I Indenture if Allied fails to do so.

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

Annualized adjusted EBITDA and net debt are not financial measures defined by International Financial Reporting Standards ("IFRS"). Please see Allied's most recent management's discussion and analysis ("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 on SEDAR, www.sedar.com, and are also available on Allied's website, www.alliedreit.com.

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 interest cost, our pool of unencumbered properties, our interest coverage ratio, and net debt as a multiple of annualized adjusted EBITDA. 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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