

ALLIED

Quarterly Report
March 31, 2024

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March 31, 2024

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Management's Discussion and Analysis of Results of Operations and Financial Condition as at March 31, 2024

Section I

–Overview

Allied is an unincorporated open-end real estate investment trust created pursuant to the Declaration of Trust (“Declaration of Trust”) dated October 25, 2002, as most recently amended on June 12, 2023. Allied is governed by the laws of Ontario. Allied’s units (“Units”) are publicly traded on the Toronto Stock Exchange under the symbol “AP.UN”. Additional information on Allied, including its annual information form, is available on SEDAR+ at www.sedarplus.ca.

This Management’s Discussion and Analysis (“MD&A”) of results of operations and financial condition relates to the three months ended March 31, 2024. Unless the context indicates otherwise, all references to “Allied”, “we”, “us” and “our” in this MD&A refer to Allied Properties Real Estate Investment Trust. The Board of Trustees (the “Board”) of Allied, upon the recommendation of its Audit Committee, approved the contents of this MD&A.

This MD&A has been prepared with an effective date of April 30, 2024, and should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto for the three months ended March 31, 2024. Historical results and percentage relationships contained in this MD&A, including trends that might appear, should not be taken as indicative of future results, operations or performance. Unless otherwise indicated, all amounts in this MD&A are in thousands of Canadian dollars.

This section includes certain terms that do not have a standardized meaning prescribed under International Financial Reporting Standards (“IFRS”) and includes certain forward-looking statements within the meaning of applicable securities law. Refer to Non-GAAP Measures and Forward-Looking Statements on pages 16 and 21 respectively.

SUMMARY OF KEY OPERATING AND FINANCIAL PERFORMANCE MEASURES

The following table summarizes the key operating and financial performance measures for the periods listed below:

(\$000's except per-square foot, per-unit and financial ratios)	THREE MONTHS ENDED		YEAR ENDED
	MARCH 31, 2024	MARCH 31, 2023	DECEMBER 31, 2023
Leased area ⁽¹⁾	87.0%	88.8%	87.3%
Occupied area ⁽¹⁾	85.9%	88.2%	86.4%
Average in-place net rent per occupied square foot ⁽¹⁾	24.10	23.35	24.10
Retention rate ⁽¹⁾⁽²⁾	69.0%	49.1%	61.2%
Rent growth on renewal ⁽¹⁾	4.7%	11.4%	6.8%
Investment properties ⁽³⁾	9,303,305	9,691,030	9,387,032
Unencumbered investment properties ⁽⁴⁾	8,634,755	8,388,680	8,757,510
Total assets ⁽³⁾	10,475,397	11,968,357	10,609,285
Cost of PUD as % of GBV ⁽⁴⁾	11.1%	11.5%	11.6%
NAV per unit ⁽⁵⁾	44.84	50.41	45.60
Debt ⁽³⁾	3,719,172	4,340,919	3,659,611
Total indebtedness ratio ⁽⁴⁾	35.9%	36.5%	34.7%
Annualized Adjusted EBITDA ⁽⁴⁾	386,012	411,980	416,019
Net debt as a multiple of Annualized Adjusted EBITDA ⁽⁴⁾	9.4x	10.5x	8.1x
Interest coverage ratio including interest capitalized and excluding financing prepayment costs - three months trailing ⁽⁴⁾	2.8x	2.4x	2.9x
Interest coverage ratio including interest capitalized and excluding financing prepayment costs - twelve months trailing ⁽⁴⁾	2.6x	2.8x	2.5x
Rental revenue ⁽³⁾⁽⁶⁾	143,577	138,490	563,980
Property operating costs ⁽³⁾⁽⁶⁾	(65,106)	(61,325)	(246,949)
Operating income ⁽³⁾⁽⁶⁾	78,471	77,165	317,031
Net loss and comprehensive loss ⁽³⁾	(18,763)	(13,683)	(420,716)
Net loss and comprehensive loss from continuing operations ⁽³⁾	(18,763)	(31,702)	(545,707)
Net income from continuing operations excluding fair value adjustments, transaction costs, financing prepayment costs and impairment ⁽⁷⁾	63,251	54,469	221,833
Adjusted EBITDA ⁽⁴⁾	96,503	102,995	416,019
Same Asset NOI - rental portfolio ⁽⁷⁾	76,493	78,091	N/A
Same Asset NOI - total portfolio ⁽⁴⁾	84,227	81,865	N/A
FFO ⁽⁴⁾	81,149	81,175	332,578
FFO per unit (diluted) ⁽⁴⁾	0.581	0.581	2.380

(\$000's except per-square foot, per-unit and financial ratios)	THREE MONTHS ENDED		YEAR ENDED
	MARCH 31, 2024	MARCH 31, 2023	DECEMBER 31, 2023
FFO pay-out ratio ⁽⁴⁾⁽⁸⁾	77.5%	77.5%	75.6%
All amounts below are excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation ⁽⁴⁾ :			
FFO	80,794	81,085	332,622
FFO per unit (diluted)	0.578	0.580	2.380
FFO payout-ratio ⁽⁸⁾	77.8%	77.6%	75.6%
AFFO	75,054	74,482	304,225
AFFO per unit (diluted)	0.537	0.533	2.177
AFFO payout-ratio ⁽⁸⁾	83.8%	84.4%	82.7%

(1) This metric excludes the assets held for sale based on the assets held for sale classification at the end of each period.

(2) The retention rate includes relocations and maturities during the period which were leased in the current period and prior year. The prior period comparative figures have been revised accordingly. Refer to User Retention on page 39 for further details.

(3) This measure is presented on an IFRS basis.

(4) This is a non-GAAP measure, as defined on page 16. These non-GAAP measures include the results of the continuing operations and the discontinued operations.

(5) Prior to Allied's conversion to an open-end trust, net asset value per unit ("NAV per unit") was calculated as total equity as at the corresponding period ended, divided by the actual number of Units and class B limited partnership units of Allied Properties Exchangeable Limited Partnership ("Exchangeable LP Units") outstanding at period end. With Allied's conversion to an open-end trust on June 12, 2023, NAV per unit is calculated as total equity plus the value of Exchangeable LP Units as at the corresponding period ended, divided by the actual number of Units and Exchangeable LP Units. The rationale for including the value of Exchangeable LP Units is because they are economically equivalent to Units, receive distributions equal to the distributions paid on the Units and are exchangeable, at the holder's option, for Units.

(6) This metric includes only the results of the continuing operations.

(7) This is a non-GAAP measure, as defined on page 16. These non-GAAP measures include only the results of the continuing operations.

(8) The payout ratios for the year ended December 31, 2023, exclude the special cash distributions declared of \$61,419 on Units and \$5,668 on Exchangeable LP Units, and the special Unit distribution declared of \$639,780.

Operating and Financial Highlights

Above all, Allied is an owner-operator of distinctive urban workspace in Canada's major cities. For Allied, neither acquisition activity nor development activity is an end in itself. Rather, both are a means of providing knowledge-based organizations with distinctive urban workspace effectively and profitably.

Q1 2024 Operating Results ⁽¹⁾

LEASED AREA	AVERAGE IN-PLACE NET RENT PER OCCUPIED SQUARE FOOT	RENT GROWTH ON RENEWAL	WEIGHTED AVERAGE REMAINING LEASE TERM IN YEARS
87.0%	\$24.10	4.7%	5.7
OCCUPIED AREA	2023: \$23.35 ↑ 3.2% from Q1 2023		
85.9%			

Q1 2024 Financial Results

SAME ASSET NOI - RENTAL PORTFOLIO ⁽²⁾	FFO PER UNIT ⁽²⁾⁽³⁾	AFFO PER UNIT ⁽²⁾⁽³⁾
↓ 2.0% from Q1 2023	\$0.578	\$0.537
	↓ 0.3% from Q1 2023	↑ 0.8% from Q1 2023

Q1 2024 Balance Sheet

LIQUIDITY ⁽⁴⁾ END OF Q1	UNENCUMBERED INVESTMENT PROPERTIES ⁽²⁾	
\$729.9M	\$8.6B	
\$829.9M including accordion	92.3% of investment properties on a proportionate basis ⁽²⁾	
NET DEBT AS A MULTIPLE OF ANNUALIZED ADJUSTED EBITDA ⁽²⁾	TOTAL INDEBTEDNESS RATIO ⁽²⁾	INTEREST COVERAGE RATIO ⁽²⁾⁽⁵⁾
9.4x	35.9%	2.8x

ESG Results ⁽⁶⁾

2023 GRESB SCORE FOR STANDING INVESTMENTS	2023 GRESB SCORE FOR DEVELOPMENT	2022 ENERGY USE INTENSITY (EUI)	2022 GREENHOUSE GAS INTENSITY (GHGI)
85/100	87/100	↓ 13%	↓ 11%
Down from 86/100 in 2022	Up from 82/100 in 2022	from our 2019 baseline	from our 2019 baseline
2022 WATER USE INTENSITY (WUI)	2022 WASTE DIVERSION		
↓ 31% from our 2019 baseline	↑ 2% from our 2019 baseline		

(1) These metrics are for the rental portfolio which exclude the assets held for sale and properties under development based on the classification at the end of each period.

(2) This is a non-GAAP measure, as defined on page 16. These non-GAAP measures include the results of the continuing operations and the discontinued operations. Same Asset NOI - rental portfolio excludes the assets held for sale.

(3) Excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation on a diluted basis.

(4) Liquidity is the sum of cash and cash equivalents on a proportionate basis and the amount available on Allied's unsecured revolving operating facility as at March 31, 2024.

(5) This interest coverage ratio including capitalized interest is for the three months trailing period.

(6) For more information, refer to Allied's 2022 Environmental, Social and Governance Report published on June 26, 2023, available on www.alliedreit.com.

SUMMARY OF RENTAL PROPERTIES

198 Rental Properties valued at \$8.4B ⁽¹⁾

(Not including Properties Under Development valued at \$1.0B and Investment Properties Held for Sale valued at \$0.1B) ⁽¹⁾

TOTAL RENTAL
PORTFOLIO GLA

14.6M _{SF}

VANCOUVER

1.0M

SF

ALLIED LEASED	88.4%
ALLIED OCCUPANCY	85.5%
MARKET OCCUPANCY ⁽²⁾	91.5%
PROPERTIES	13
EMPLOYEES	16

CALGARY

1.2M

SF

ALLIED LEASED	78.4%
ALLIED OCCUPANCY	77.9%
MARKET OCCUPANCY ⁽²⁾	74.3%
PROPERTIES	29
EMPLOYEES	29

KITCHENER

709K

SF

ALLIED LEASED	75.9%
ALLIED OCCUPANCY	75.9%
MARKET OCCUPANCY ⁽²⁾	72.3%
PROPERTIES	6
ANCILLARY PARKING FACILITY	1
EMPLOYEES	4

TORONTO

5.4M

SF

ALLIED LEASED	86.8%
ALLIED OCCUPANCY	85.9%
MARKET OCCUPANCY ⁽²⁾	82.7%
PROPERTIES	108
ANCILLARY PARKING FACILITIES	10
EMPLOYEES	214

MONTRÉAL

6.2M

SF

ALLIED LEASED	89.3%
ALLIED OCCUPANCY	88.1%
MARKET OCCUPANCY ⁽²⁾	85.2%
PROPERTIES	29
EMPLOYEES	79

OTTAWA

231K

SF

ALLIED LEASED	99.1%
ALLIED OCCUPANCY	99.1%
MARKET OCCUPANCY ⁽²⁾	89.2%
PROPERTIES	2
EMPLOYEES	3

(1) The rental properties, properties under development and investment properties held for sale are on a proportionate basis, which are non-GAAP measures.

(2) Source: cbre.ca, CBRE Office Figures reports.

BUSINESS OVERVIEW AND STRATEGY

Allied is a leading owner-operator of distinctive urban workspace in Canada's major cities.

DISTINCTIVE URBAN WORKSPACE

Allied was known initially for its leading role in the emergence of Class I workspace in Toronto, a format created through the adaptive re-use of light industrial structures in the Downtown East and Downtown West submarkets. This format typically features high ceilings, abundant natural light, exposed structural frames, interior brick and hardwood floors. When restored and retrofitted to high standards, Class I workspace can satisfy the needs of the most demanding office and retail users. When operated in a coordinated manner, this workspace becomes a vital part of the urban fabric and contributes meaningfully to a sense of community.

Allied went public in 2003 for the express purpose of consolidating Class I workspace that was centrally located, distinctive and cost-effective. The consolidation that ensued was continuous, enabling Allied to evolve into a leading owner-operator of distinctive urban workspace in Canada's major cities.

WORKSPACE INNOVATION

Allied's long and extensive experience continues to inform its approach to workspace innovation. Office users today value light, air and an open-plan. Abundant natural light and fresh air contribute enormously to human wellness and productivity. An open-plan improves collaboration and creativity. When people can move around and freely connect with one another, communication is improved, along with mutual understanding, and sparks of ingenuity occur.

Technology has contributed to workspace innovation. Light harvesting has made great strides, as has fresh air delivery. Raised-floor systems have made aesthetic and practical contributions in recent years. Aesthetically, they declutter the workspace and obviate the need for drop-ceilings. Practically, they improve air circulation by pressurizing the underfloor area and de-pressurizing the actual work environment. All this can be delivered to workspace users in an environmentally sustainable manner.

Workspace amenities have made an equivalent contribution to workspace innovation. While achievable to an extent within a single building, amenity-richness is best achieved within a surrounding urban neighbourhood. This in turn places a premium on clustering buildings within an amenity-rich urban neighbourhood. Clustering also allows Allied to accommodate needs for expansion and contraction within the neighbourhood.

Allied's experience with Class I workspace also increased its sensitivity to design. When people migrated to the suburbs in the 1950s, the sensitivity to design in the inner-cities seemed to diminish, if not disappear altogether. Heritage properties were destroyed to make way for non-descript, inward-looking buildings, and synthetic materials seemed to cover everything everywhere. Fortunately, design now matters, and design now pays. The workspace Allied created at QRC West in Toronto is an excellent example. Allied's architects came up with a creative and beautiful way to build a new office tower above two fully-restored heritage buildings. Although the design entailed additional cost, the ultimate economic and social return on the investment was exceptional. The design paid off in every conceivable way.

Finally, Allied's experience with Class I workspace put it at the forefront of creating workspace for the knowledge-based economy. This led Allied to place ever-greater emphasis on the ongoing relationship between the user and provider of workspace. Put differently, it led Allied to understand the need for a partnership-like relationship between itself and workspace users.

FOCUS AND DEFINITION

From the outset, Allied adhered to a clear investment and operating focus. It focused initially on the Class I format and continues to do so on a large scale in major urban centres in Canada. More recently, Allied expanded its focus to include hybrid structures like QRC West and King Portland Centre in Toronto and 425 Viger in Montréal, where heritage buildings were integrated with new structures in a way that resonated meaningfully with the knowledge-based organizations Allied serves. Allied will continue to do so on a large scale in major urban centres in Canada.

As Allied's business grew and evolved, it was defined not by the specific workspace format Allied owns, operates and develops, but rather by the workspace users Allied serves. If a particular format enables Allied to serve knowledge-based organizations better and more profitably, Allied will invest in it. The Well in Toronto is a good example. The workspace component is a high-rise tower for the most part with no heritage element at all. However, because of its architecture, performance attributes and location within a vibrant and amenity-rich neighbourhood, it has attracted outstanding knowledge-based organizations.

When Allied's business is defined by the workspace users it serves, the actual format becomes less important and the specific building attributes and neighbourhood amenities take on paramount importance. Accordingly, if a conventional office tower can be transformed to provide the specific attributes and amenities favoured by knowledge-based organizations, it falls squarely within Allied's investment and operating focus. This expands Allied's opportunity-set materially.

Allied now owns and operates three categories of distinctive urban workspace in Canada's major cities: **Allied Heritage** (Class I workspace); **Allied Modern** (workspace developed or redeveloped in the last decade); and **Allied Flex** (workspace in buildings on underutilized land to be redeveloped in the next decade). Management continues to experience strong and quantifiable demand for all three categories of office space, as well as strong and quantifiable engagement among users of Allied workspace generally. Allied expects to continue the ongoing upgrade of its urban workspace portfolio and to accelerate the establishment of its urban rental-residential portfolio flowing from mixed-use urban development in which it has participated over the past decade.

VISION AND MISSION

Allied's vision statement is as follows: *To make a continuous contribution to cities and culture that elevates and inspires the humanity in all people.* In isolation, this could be seen as somewhat extravagant and nebulous, but it is fully grounded and informed by Allied's mission statement, which is as follows: *To provide knowledge-based organizations with distinctive urban workspace in a manner that is sustainable and conducive to human wellness, creativity, connectivity and diversity.* Like all such statements, Allied's vision and mission statements need elaboration.

From inception, Allied's approach to workspace was both humanistic and technical. Allied sees workspace from the vantage point of people who use it rather than people who invest in it. Allied sees workspace

as optimal light and air, a flexible and open floorplan and a collaborative rather than feudal relationship between owner and user. Allied sees workspace as a product of aesthetic and technical design. Finally, Allied sees workspace as part of a large, amenity-rich, urban ecosystem rather than as an instance of the monumental isolation that characterizes so many conventional office towers.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

Environmental, social and governance sensitivities are an integral part of Allied. They flow from its evolution as an organization focused on the provision of distinctive urban workspace in Canada’s major cities.

Long before going public, Allied focused on the adaptive re-use of older structures built over a century ago for light-industrial purposes. The goal at the time was not to minimize the impact on the environment. Rather, it was to meet what was rightly perceived to be a growing need on the part of users of workspace for environments that would assist them in attracting, motivating and retaining knowledge workers. Nevertheless, by re-cycling buildings rather than re-building them, Allied minimized the impact on the environment. This evolved into greater sensitivity as to the environmental impact of its activity.

Again, long before its initial public offering (“IPO”), Allied concentrated its properties in specific urban areas. The goal at the time was not to make a social contribution. Rather, it was to meet what was rightly perceived to be the need on the part of users of workspace to grow in amenity-rich, mixed-use urban communities. Nevertheless, by aggregating buildings in this way, Allied became sensitized to the impact on the surrounding communities in which it operates. Allied began to see its buildings as part of a larger urban ecosystem and to acknowledge its responsibility to the surrounding community as a whole.

Finally, the launch of Allied’s IPO in 2003 increased its sensitivity to governance. The sensitivities at the time were predominantly financial and operational, but as Allied evolved and attracted Unitholders globally, the sensitivity to a broader conception of governance increased. Allied’s Board and Management began to see governance as something that could strengthen the business significantly.

ESG OVERSIGHT & REPORTING

Allied’s Board and Management are committed to making its inherent approach to ESG more manifest, deliberate and measurable. They have always believed that submitting to informed scrutiny will make Allied a better business, and formally submitting to ESG scrutiny is no exception in this regard. The Board is responsible for the oversight of the ESG Strategy and ESG initiatives developed by Management. The Board’s Governance, Compensation and Nomination Committee (the “GC&NC”) oversees and monitors Allied’s ESG performance and reviews Allied’s ESG Report, ESG Policy and other governance policies and practices annually.

On the recommendation of the GC&NC, the Board established four specific and measurable ESG goals, the performance in relation to which the GC&NC and the Board analyzes as part of its assessment of incentive bonus awards for the executive officers.

In June 2023, Allied published its 2022 ESG Report in accordance with the Global Reporting Initiative (“GRI”) 2021 Universal Standards, the Sustainability Accounting Standards Board (“SASB”) Real Estate Standard, the United Nations Sustainable Development Goals (“UN SDGs”) and the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations.

ESG HIGHLIGHTS

Highlighting Allied's ESG Achievements

Allied is committed to the ongoing evolution of its ESG program and performance. Working with team members and external partners, Allied continues to achieve its goals and set new ambitions for the future.

Outperformed 2024 Targets ⁽¹⁾

Allied continued to exceed its 2024 reduction targets for Energy Use Intensity (EUI), Greenhouse Gas Intensity (GHGI) and Water Use Intensity (WUI).

Continued to Improve GRESB Scores

In its 2023 GRESB assessment, Allied achieved a score of 85 for its standing investments and a score of 87 for its developments, representing continuous improvement overall.

Developed an Internal Price of Carbon

Allied established its shadow price of carbon to support financial analysis and decision-making for all new investments, developments and retrofit opportunities by assigning a monetary value to every tonne of carbon emitted.

Established 70% Certification Target for Standing Portfolio

Allied will certify an additional 8.1 million square feet to LEED and/or BOMA BEST by 2028, at a cost of \$0.09/square foot, increasing its certification percentage from 27% to 70% across the portfolio.

Recognized as a Canadian "Best Employer" in 2023

Since 2020, Allied has engaged Kincentric to conduct a third-party employee engagement survey. Allied was recognized as a "Best Employer" by Kincentric in 2020, 2021 and 2023.

Outperformed Peers in User Experience Assessment Ratings

In October 2023, Allied completed its annual third-party User Experience Assessment Survey. Results demonstrated year-over-year progress, with improved ratings in key areas and an overall increase in user satisfaction.

Advanced commitment to Equity, Diversity and Inclusion (EDI)

In 2023, Allied hosted four EDI workshops for employees, users and close partners to acknowledge Black History Month, International Women's Day, Pride and National Day for Truth and Reconciliation. The workshops garnered lots of positive feedback and attracted over 950 attendees across the country.

Committed to Green Financing

In December 2022, Allied obtained a \$75 million sustainability-linked construction lending facility, at its share, for the development of 108 East 5th Avenue in Vancouver. On this construction lending facility, Allied exceeded one of the sustainability performance targets for 2023, as more than 10% of individuals in its construction and construction-related labour identified themselves as equity deserving groups.⁽²⁾

(1) These metrics are based on Allied's 2022 ESG Report, available on www.alliedreit.com.

(2) Equity deserving groups include Indigenous people, racialized communities, recent immigrants and refugees, disabled persons, members of the 2SLGBTQIA+ community, veterans, youth aged 29 and under, and people who identify as having experienced barriers to economic opportunity and participation.

BUSINESS ENVIRONMENT AND OUTLOOK

In the first quarter, Management experienced strong and quantifiable demand for all categories of its office space, as well as strong and quantifiable engagement among users of Allied workspace generally. Management expects this to underpin operating results in 2024 that will fully support Allied's current distribution commitment.

Allied expects to continue (i) the ongoing upgrade of its urban workspace portfolio, (ii) the ongoing establishment of its urban rental-residential portfolio and (iii) the sale of less-strategic properties in its portfolio. Management expects that these portfolio optimization efforts will (i) materially enhance the productivity of Allied's national portfolio of urban income-producing properties and (ii) continue the ongoing strengthening of Allied's debt-metrics, to which Allied remains deeply committed.

Allied has assembled the largest and most concentrated portfolio of economically-productive, underutilized urban land in Canada, one that affords extraordinary mixed-use intensification potential in major cities going forward. Allied believes deeply in the continued success of Canadian cities and has the platform and the breadth of funding relationships necessary to drive value in the coming years and decades for the benefit of its constituents.

The foregoing sections contain non-GAAP measures and forward-looking statements. Where it is not explicitly stated, the measures include the results of both continuing and discontinued operations. Management believes these combined results provide a more meaningful measure of financial performance for the periods presented. Refer to Non-GAAP Measures and Forward-Looking Statements below.

NON-GAAP MEASURES

Readers are cautioned that certain terms used in the MD&A listed below, including any related per unit amounts, used by Management of Allied to measure, compare and explain the operating results and financial performance of Allied do not have any standardized meaning prescribed under IFRS and, therefore, should not be construed as alternatives to net income, cash flow from operating activities, or any other measure prescribed under IFRS. These terms are defined in the following table and reconciliations to the most comparable IFRS measure are referenced, as applicable. The following terms do not have a standardized meaning prescribed by IFRS and may not be comparable to similarly titled measures presented by other publicly traded entities.

NON-GAAP MEASURE	DEFINITION	RECONCILIATION
Allied's proportionate share or proportionate basis	All references to "proportionate share" or "proportionate basis" refer to a non-GAAP financial measure representing Allied's proportionate share of equity accounted investments. Allied applies the equity method of accounting to its joint venture, TELUS Sky, as prescribed under IFRS. Management presents the proportionate share of its interests in joint arrangements that are accounted for using the equity method as it is viewed as relevant in demonstrating Allied's performance and is the basis of many of Allied's key performance measures.	Section II - Operations, Section V - Asset Profile, Section VI - Liquidity and Capital Resources
Funds from Operations ("FFO")	FFO is a non-GAAP financial measure used by most Canadian real estate investment trusts based on a standardized definition established by REALPAC in its January 2022 White Paper ("White Paper"). FFO is defined as net income and comprehensive income from continuing operations less certain adjustments, on a proportionate basis, including fair value changes in investment properties, investment properties held for sale, Exchangeable LP Units and derivative instruments, impairment, transaction costs, incremental leasing costs, net income and comprehensive income from discontinued operations, distributions on Exchangeable LP Units as they are puttable instruments classified as financial liabilities, amortization of improvement allowances and amortization of property, plant and equipment which relates to owner-occupied property. FFO is reconciled to net income and comprehensive income from continuing operations, which is the most directly comparable IFRS measure. Management believes FFO is a key measure of operating performance.	Section II - Operations - Other Financial Performance Measures
FFO excluding condominium costs, financing prepayment costs and the mark-to-market adjustment on unit-based compensation	FFO excluding condominium related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation starts with FFO and removes the effects of condominium revenue, condominium cost of sales, condominium marketing costs, financing prepayment costs and the mark-to-market adjustment on unit-based compensation. FFO excluding condominium related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation is reconciled to net income and comprehensive income from continuing operations, which is the most directly comparable IFRS measure. Management believes this is a useful measure as these condominium and financing prepayment items are not indicative of recurring operating performance, and the mark-to-market adjustments of unit-based compensation can fluctuate widely with the market.	Section II - Operations - Other Financial Performance Measures

NON-GAAP MEASURE	DEFINITION	RECONCILIATION
Adjusted Funds from Operations (“AFFO”)	AFFO is a non-GAAP financial measure used by most Canadian real estate investment trusts based on a standardized definition established by REALPAC in the White Paper. AFFO is defined as FFO less amortization of straight-line rent, regular leasing expenditures, regular and recoverable maintenance capital expenditures, and incremental leasing costs (related to regular leasing expenditures). AFFO is reconciled to net income and comprehensive income from continuing operations, which is the most directly comparable IFRS measure. Management considers AFFO to be a useful measure of recurring economic earnings and relevant in understanding Allied’s ability to service its debt, fund capital expenditures and provide distributions to Unitholders.	Section II - Operations - Other Financial Performance Measures
AFFO excluding condominium related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation	AFFO excluding condominium related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation starts with AFFO and removes the effects of condominium revenue, condominium cost of sales, condominium marketing costs, financing prepayment costs and the mark-to-market adjustment on unit-based compensation. AFFO excluding condominium related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation is reconciled to net income and comprehensive income from continuing operations, which is the most directly comparable IFRS measure. Management believes this is a useful measure as these condominium and financing prepayment items are not indicative of recurring economic earnings, and the mark-to-market adjustments of unit-based compensation can fluctuate widely with the market.	Section II - Operations - Other Financial Performance Measures
Net income from continuing operations excluding fair value adjustments, transaction costs, financing prepayment costs and impairment	Net income from continuing operations excluding fair value adjustments, transaction costs, financing prepayment costs and impairment is a non-GAAP financial measure that starts with net income from continuing operations and removes the effects of fair value gains or losses on investment properties and investment properties held for sale, Exchangeable LP Units, or derivative instruments, the mark-to-market adjustment on unit-based compensation, transaction costs, financing prepayment costs and impairment on an IFRS basis. Management considers this to be a useful measure of operating performance, as fair value adjustments can fluctuate widely with the market, and transaction costs, financing prepayment costs and impairment are non-recurring in nature.	Section II - Operations
Net Rental Income (“NRI”)	NRI is a non-GAAP financial measure defined as rental revenue from continuing operations less property operating costs from continuing operations on a proportionate basis. It excludes condominium revenue and condominium cost of sales. The most directly comparable IFRS measure is operating income. Management considers NRI to be a useful measure of the operating performance of its rental properties portfolio.	Section II - Operations - Net Operating Income
Net Operating Income (“NOI”) from continuing operations	NOI from continuing operations is a non-GAAP financial measure defined as NRI excluding the impact of non-cash items such as amortization of improvement allowances and the amortization of straight-line rent from continuing operations on a proportionate basis. The most directly comparable IFRS measure to NOI from continuing operations is Operating Income. Management believes this is a useful measure as it demonstrates the cash generating operating performance of its income producing properties.	Section II - Operations - Net Operating Income

NON-GAAP MEASURE	DEFINITION	RECONCILIATION
NOI from discontinued operations	NOI from discontinued operations is a non-GAAP financial measure defined as rental revenue from discontinued operations less property operating costs from discontinued operations on a proportionate basis, excluding the impact of non-cash items such as amortization of improvement allowances and the amortization of straight-line rent from discontinued operations on a proportionate basis. The most directly comparable IFRS measure to NOI from discontinued operations is Operating Income. Management believes this is a useful measure as it demonstrates the performance of its discontinued segment.	Section II - Operations - Net Operating Income
Total NOI	Total NOI is a non-GAAP financial measure defined as the sum of NOI from continuing operations and NOI from discontinued operations. The most directly comparable IFRS measure to Total NOI is Operating Income. Management believes this is a useful measure as it demonstrates the cash generating operating performance of all its properties.	Section II - Operations - Net Operating Income
Same Asset NOI	Same Asset NOI is a non-GAAP measure defined as NOI for the properties that Allied owned and operated for the entire duration of both the current and comparative period on a proportionate basis. The most directly comparable IFRS measure to Same Asset NOI is Operating Income. Management believes this is a useful measure as NOI growth can be assessed on its portfolio excluding the impact of acquisition and disposition activities. Allied uses Same Asset NOI to evaluate the performance of its properties.	Section II - Operations - Same Asset NOI
Gross Book Value ("GBV")	GBV is a non-GAAP measure defined as the total assets of Allied on a proportionate basis. The most directly comparable IFRS measure to GBV is total assets. Management believes GBV is a useful measure to assess the growth in Allied's total portfolio of rental and development properties.	Section V - Asset Profile
Unencumbered investment properties ⁽¹⁾	<p>Unencumbered investment properties is a non-GAAP measure defined as the fair value of investment properties which are free and clear of any encumbrances. This is calculated on a proportionate basis. The most directly comparable IFRS measure to unencumbered investment properties is investment properties.</p> <p>Management believes unencumbered investment properties is a useful measure to assess the borrowing capacity of Allied.</p>	N/A
Cost of Properties Under Development ("PUD") as a percentage of GBV	Cost of PUD as a percentage of GBV is a non-GAAP measure defined as the book value of Allied's properties under development, on a proportionate basis, divided by the GBV at period-end. Management believes this is a useful metric in assessing development risk. Allied has a limit of 15% as outlined in its Declaration of Trust.	Section V - Asset Profile

NON-GAAP MEASURE	DEFINITION	RECONCILIATION
<p>Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”)</p> <p>and</p> <p>Annualized Adjusted EBITDA</p>	<p>Adjusted EBITDA is a non-GAAP measure calculated on a proportionate basis comprised of earnings before interest expense, income taxes, depreciation and amortization expense (including amortization of improvement allowances), impairment, gains and losses on disposal of investment properties and the fair value gains or losses associated with investment properties and investment properties held for sale, Exchangeable LP Units, financial instruments, and unit-based compensation.</p> <p>Annualized Adjusted EBITDA is a non-GAAP measure calculated as the Adjusted EBITDA for the current period annualized.</p> <p>The most directly comparable IFRS measure to Adjusted EBITDA and Annualized Adjusted EBITDA is net income and comprehensive income. Management believes Adjusted EBITDA and Annualized Adjusted EBITDA are useful metrics to determine Allied's ability to service its debt, finance capital expenditures and provide distributions to its Unitholders.</p>	<p>Section II - Operations - Other Financial Performance Measures</p>
<p>Net debt</p>	<p>Net debt is a non-GAAP measure, calculated on a proportionate basis, as debt less cash, cash equivalents and a deposit Management considers to be cash equivalent. The most directly comparable IFRS measure to net debt is debt. Management considers net debt a useful measure for evaluating debt levels.</p>	<p>Section VI - Liquidity and Capital Resources - Debt</p>
<p>Net debt as a multiple of Annualized Adjusted EBITDA</p>	<p>Net debt as a multiple of Annualized Adjusted EBITDA is a non-GAAP measure of Allied's financial leverage and is defined as net debt divided by Annualized Adjusted EBITDA. This measure indicates the number of years required for Allied's Annualized Adjusted EBITDA to repay all outstanding debts, taking into consideration the cash on hand to decrease debt. Management considers this metric a useful measure for evaluating Allied's ability to service its debt.</p>	<p>N/A</p>
<p>FFO and AFFO Payout-Ratios and</p> <p>FFO and AFFO Payout-Ratios excluding condominium related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation</p>	<p>FFO and AFFO payout-ratios, and FFO and AFFO payout-ratios excluding condominium related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation are non-GAAP measures.</p> <p>These payout ratios are calculated by dividing the actual distributions declared (excluding any special distributions declared in cash or Units) by FFO, AFFO, FFO and AFFO excluding condominium related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation in a given period.</p> <p>Management considers these metrics a useful way to evaluate Allied's distribution paying capacity.</p>	<p>N/A</p>

NON-GAAP MEASURE	DEFINITION	RECONCILIATION
Interest Coverage Ratio and Interest Coverage Ratio including interest capitalized and Interest Coverage Ratio including interest capitalized and excluding financing prepayment costs	<p>Interest coverage ratio, interest coverage ratio including interest capitalized, and interest coverage ratio including interest capitalized and excluding financing prepayment costs are non-GAAP measures calculated on a trailing three-month basis and twelve-month basis for the three months ended and the year ended, respectively.</p> <p>Interest coverage ratio is defined as Adjusted EBITDA divided by interest expense excluding the distributions on Exchangeable LP Units which are recognized as interest expense.</p> <p>Interest coverage ratio including interest capitalized is defined as Adjusted EBITDA divided by interest expense with interest capitalized included.</p> <p>Interest coverage ratio including interest capitalized and excluding financing prepayment costs is defined as Adjusted EBITDA divided by interest expense with interest capitalized included and financing prepayment costs excluded. The interest expense excludes the distributions on Exchangeable LP Units which are recognized as interest expense.</p> <p>Management considers these metrics useful as they indicate Allied's ability to meet its interest cost obligations.</p>	N/A
Total Indebtedness Ratio	<p>Total indebtedness ratio is a non-GAAP measure of Allied's financial leverage, which is calculated on a proportionate basis by taking debt plus outstanding letters of credit divided by total assets. Management considers this metric useful as it indicates Allied's ability to meet its debt obligations.</p>	Section V - Asset Profile

(1) *The label and composition of this non-GAAP financial measure changed from the prior period to remove unencumbered investment properties held for sale due to the disposition of the Urban Data Centre portfolio in August 2023.*

FORWARD-LOOKING STATEMENTS

Certain information included in this MD&A contains forward-looking statements within the meaning of applicable securities laws, including, among other things, statements concerning Allied's objectives and strategies to achieve those objectives, statements with respect to Management's beliefs, plans, estimates and intentions and statements concerning anticipated future events, circumstances, expectations, results, operations or performance that are not historical facts, and the assumptions underlying any of the foregoing. Forward-looking statements can be identified generally by the use of forward-looking terminology, such as "indicators", "outlook", "forecast", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "assume", "should", "plans", "continue" or similar expressions suggesting future outcomes or events. In particular, certain statements in Section I—Overview, under the headings "Business Overview and Strategy", "Focus and Definition", "Vision and Mission", "Environmental, Social and Governance" and "Business Environment and Outlook", Section III - Leasing under the headings "Status" and "Lease Maturity", Section V - Asset Profile, under the headings "Rental Properties", and "Development Properties", Section VI - Liquidity and Capital Resources and Section IX - Risks and Uncertainties, constitute forward-looking information. This MD&A includes, but is not limited to, forward-looking statements regarding: increases to Allied's annual NOI due to development activities; Allied's ability to fully support its current distribution commitment; expected enhancements to the productivity of Allied's national portfolio of urban income-producing properties; expected ongoing strengthening of Allied's debt-metrics; expected capital expenditure and allocation over 2024; expected Same Asset NOI, FFO per unit and AFFO per unit; completion of construction and lease-up in connection with Properties Under Development ("PUDs"); continued demand for space in our target markets; Allied's internal forecast; the creation of future value; estimated gross leasable area ("GLA"), NOI and growth from PUDs; estimated costs of PUDs; future economic occupancy; return on investments, including yield on cost of PUDs; estimated rental NOI and anticipated rental rates; lease up of our intensification projects; anticipated available square feet ("SF") of leasable area; targets for LEED and/or BOMA certification; our ability to generate ancillary revenue; our ability to achieve risk-adjusted returns on intensification; our expectations regarding the timing of development of potential incremental density; receipt of municipal approval for value-creation projects, including intensifications; Management's expectations regarding future distributions; and completion of future financings and availability of capital. Such forward-looking statements reflect Management's current beliefs and are based on information currently available to Management.

The forward-looking statements in this MD&A are not guarantees of future results, operations or performance and are based on estimates and assumptions that are subject to risks and uncertainties, including those described in Section IX - Risks and Uncertainties, which could cause actual results, operations or performance to differ materially from the forward-looking statements in this MD&A. Those risks and uncertainties include risks associated with financing and interest rates, access to capital, general economic conditions, lease roll-over, development and construction, user terminations and financial stability, competition for users and cybersecurity. Material assumptions that were made in formulating the forward-looking statements in this MD&A include the following: that our current target markets remain stable, with no material increase in supply of directly-competitive office space; that acquisition capitalization rates remain reasonably constant; that the trend toward intensification within our target markets continues; and that the equity and debt markets provide us with access to capital at a reasonable cost to fund our future growth and potentially refinance our debt as it matures. Although the forward-looking statements contained in this MD&A are based on what Management believes are reasonable assumptions, there can be no assurance that actual results, operations or performance will be consistent with these statements.

All forward-looking statements in this MD&A are qualified in their entirety by this forward-looking disclaimer. Without limiting the generality of the foregoing, the discussion in Section I - Overview, Section III - Leasing, Section V - Asset Profile and Section VI - Liquidity and Capital Resources are qualified in their entirety by this forward-looking disclaimer. These statements are made as of April 30, 2024, and, except as required by applicable law, Allied undertakes no obligation to update publicly or revise any such statements to reflect new information or the occurrence of future events or circumstances.

Section II

–Operations

Allied's operating platform is built on its concentration of distinctive urban workspace, focused strategy and integrated team.

NET INCOME AND COMPREHENSIVE INCOME

The following table reconciles the unaudited condensed consolidated statements of loss and comprehensive loss on an IFRS basis to a proportionate basis, which is a non-GAAP measure, for the three months ended March 31, 2024, and March 31, 2023, as defined on page 16.

There is an additional table to reconcile net loss and comprehensive loss from continuing operations to net income from continuing operations excluding fair value adjustments, transaction costs, financing prepayment costs and impairment, a non-GAAP measure, for the three months ended March 31, 2024, and March 31, 2023 as defined on page 16.

	THREE MONTHS ENDED					
	MARCH 31, 2024			MARCH 31, 2023		
	IFRS BASIS	INVESTMENT IN JOINT VENTURE	PROPORTIONATE BASIS	IFRS BASIS	INVESTMENT IN JOINT VENTURE	PROPORTIONATE BASIS
Continuing operations						
Rental revenue	\$143,577	\$2,055	\$145,632	\$138,490	\$2,058	\$140,548
Property operating costs	(65,106)	(1,445)	(66,551)	(61,325)	(1,049)	(62,374)
Operating income	\$78,471	\$610	\$79,081	\$77,165	\$1,009	\$78,174
Interest income	14,759	13	14,772	9,744	8	9,752
Interest expense	(23,431)	—	(23,431)	(22,564)	—	(22,564)
General and administrative expenses	(6,498)	—	(6,498)	(6,170)	—	(6,170)
Condominium marketing expenses	(35)	—	(35)	(120)	—	(120)
Amortization of other assets	(378)	(59)	(437)	(370)	—	(370)
Net income (loss) from joint venture	752	(752)	—	(3,006)	3,006	—
Fair value (loss) gain on investment properties and investment properties held for sale	(119,192)	188	(119,004)	(78,357)	(4,023)	(82,380)
Fair value gain on Exchangeable LP Units	29,641	—	29,641	—	—	—
Fair value gain (loss) on derivative instruments	7,148	—	7,148	(8,024)	—	(8,024)
Net loss and comprehensive loss from continuing operations ⁽¹⁾	\$(18,763)	\$—	\$(18,763)	\$(31,702)	\$—	\$(31,702)

THREE MONTHS ENDED

	MARCH 31, 2024			MARCH 31, 2023		
	IFRS BASIS	INVESTMENT IN JOINT VENTURE	PROPORTIONATE BASIS	IFRS BASIS	INVESTMENT IN JOINT VENTURE	PROPORTIONATE BASIS
Discontinued operations (UDC segment)						
Rental revenue	\$—	\$—	\$—	\$21,100	\$—	\$21,100
Property operating costs	—	—	—	(7,899)	—	(7,899)
Operating income	\$—	\$—	\$—	\$13,201	\$—	\$13,201
Interest expense	—	—	—	(1,771)	—	(1,771)
Fair value gain on investment properties held for sale	—	—	—	6,589	—	6,589
Net income and comprehensive income from discontinued operations	\$—	\$—	\$—	\$18,019	\$—	\$18,019
Net loss and comprehensive loss	\$(18,763)	\$—	\$(18,763)	\$(13,683)	\$—	\$(13,683)

(1) Includes four investment properties held for sale as at March 31, 2024 (March 31, 2023 - two investment properties held for sale) on a proportionate basis, as defined on page 16.

THREE MONTHS ENDED

	MARCH 31, 2024		MARCH 31, 2023	
	Net loss and comprehensive loss from continuing operations	\$(18,763)		\$(31,702)
Fair value loss on investment properties and investment properties held for sale	119,192		78,357	
Fair value gain on Exchangeable LP Units	(29,641)		—	
Fair value (gain) loss on derivative instruments	(7,148)		8,024	
Mark-to-market adjustment on unit-based compensation	(389)		(210)	
Transaction costs	—		—	
Financing prepayment costs	—		—	
Impairment of residential inventory	—		—	
Net income from continuing operations excluding fair value adjustments, transaction costs, financing prepayment costs and impairment⁽¹⁾	\$63,251		\$54,469	

(1) This excludes the Urban Data Centre segment which was classified as a discontinued operation from Q4 2022 until its disposition in August 2023.

On an IFRS basis, operating income from continuing operations for the three months ended March 31, 2024, increased by \$1,306 or 1.7%, primarily due to rent commencement at The Well.

On an IFRS basis, net loss and comprehensive loss from continuing operations for the three months ended March 31, 2024, decreased by \$12,939 from the comparable period in 2023, primarily due to a fair value gain on Exchangeable LP Units of \$29,641, a higher fair value gain on derivative investments of \$15,172, and higher interest income of \$5,015, partially offset by a higher fair value loss on investment properties and investment properties held for sale of \$40,835. On an IFRS basis, net income and comprehensive income from discontinued operations for the three months ended March 31, 2024, decreased by \$18,019 from the comparable period in 2023, due to the disposition of the Urban Data Centre (“UDC”) portfolio in August 2023.

NET OPERATING INCOME

Allied operates in seven urban markets – Montréal, Ottawa, Toronto, Kitchener, Calgary, Edmonton and Vancouver. For the purpose of analyzing NOI, Allied groups the cities by geographic location.

Allied’s real estate portfolio has grown through acquisitions and development activities that have positively contributed to the operating results for the three months ended March 31, 2024, as compared to the same period in the prior year.

The following table reconciles operating income to net operating income, a non-GAAP measure, as defined on page 16.

	THREE MONTHS ENDED	
	MARCH 31, 2024	MARCH 31, 2023
Operating income, IFRS basis	\$78,471	\$77,165
Add: investment in joint venture	610	1,009
Operating income, proportionate basis	\$79,081	\$78,174
Amortization of improvement allowances ⁽¹⁾⁽²⁾	9,572	8,238
Amortization of straight-line rent ⁽¹⁾⁽²⁾	(1,498)	(1,779)
NOI from continuing operations	\$87,155	\$84,633
NOI from discontinued operations	\$—	\$13,069
Total NOI	\$87,155	\$97,702

(1) Includes Allied’s proportionate share of the equity accounted investment of the following amounts for the three months ended March 31, 2024: amortization improvement allowances of \$179 (March 31, 2023 - \$183), and amortization of straight-line rent of \$(45) (March 31, 2023 - \$(48)).

(2) Excludes the Urban Data Centre segment which was classified as a discontinued operation starting in Q4 2022. For the three months ended March 31, 2024, the Urban Data Centre segment’s amortization of improvement allowances was \$nil (March 31, 2023 - \$130). For the three months ended March 31, 2024, the Urban Data Centre segment’s amortization of straight-line rent was \$nil (March 31, 2023 - \$(262)).

The following tables set out the NOI by segment and space type from the rental and development properties for the three months ended March 31, 2024, and the comparable period in 2023.

SEGMENT	THREE MONTHS ENDED				CHANGE	
	MARCH 31, 2024		MARCH 31, 2023		\$	%
Montréal & Ottawa	\$29,708	34.1%	\$29,560	30.2%	\$148	0.5%
Toronto & Kitchener	44,700	51.3	40,730	41.7	3,970	9.7
Calgary & Edmonton	5,016	5.7	5,783	5.9	(767)	(13.3)
Vancouver	7,731	8.9	8,560	8.8	(829)	(9.7)
NOI from continuing operations	\$87,155	100.0%	\$84,633	86.6%	\$2,522	3.0%
NOI from discontinued operations	\$—	—%	\$13,069	13.4%	\$(13,069)	(100.0)%
Total NOI	\$87,155	100.0%	\$97,702	100.0%	\$(10,547)	(10.8)%

TYPE OF SPACE	THREE MONTHS ENDED				CHANGE	
	MARCH 31, 2024		MARCH 31, 2023		\$	%
Office	\$71,180	81.7%	\$70,667	72.3%	\$513	0.7%
Retail	10,432	12.0	9,139	9.4	1,293	14.1
Parking	5,543	6.3	4,827	4.9	716	14.8
NOI from continuing operations	\$87,155	100.0%	\$84,633	86.6%	\$2,522	3.0%
NOI from discontinued operations	\$—	—%	\$13,069	13.4%	\$(13,069)	(100.0)%
Total NOI	\$87,155	100.0%	\$97,702	100.0%	\$(10,547)	(10.8)%

The increase in NOI from continuing operations for the three months ended March 31, 2024, was due to rent commencement from development completions at The Well and Adelaide & Duncan in Toronto of \$5,469 and increased variable parking revenue across the portfolio of \$716. This was partially offset by non-renewals at The Castle and 358-360 Adelaide W in Toronto, the OddFellows and Telephone Building in Calgary, and 1185 West Georgia and 375 Water in Vancouver of \$3,628. The decrease in NOI from discontinued operations for the three months ended March 31, 2024, was due to the disposition of the UDC portfolio in August 2023.

SAME ASSET NOI

Same Asset NOI, a non-GAAP measure in the table below, refers to those investment properties that were owned by Allied from January 1, 2023, to March 31, 2024, as defined on page 16. Same Asset NOI of the development portfolio for the three months ended March 31, 2024, consists of Breithaupt Phase III, Adelaide & Duncan, 185 Spadina, KING Toronto, QRC West Phase II, 400 Atlantic, Boardwalk-Revillon Building, The Loughheed Building, 342 Water Street, 3575 Saint-Laurent, 365 Railway, 422-424 Wellington W, 108 East 5th Avenue, Kipling Square, 700 Saint-Hubert, and portions of The Well, 1001 Boulevard Robert-Bourassa, RCA Building - 1001 Lenoir Street, and 469 King West. Same Asset NOI of the assets held for sale for the three months ended March 31, 2024, consists of three investment properties in Montréal and the commercial portion of TELUS Sky in Calgary.

	THREE MONTHS ENDED		CHANGE	
	MARCH 31, 2024	MARCH 31, 2023	\$	%
Montréal & Ottawa	\$28,280	\$27,824	\$456	1.6%
Toronto & Kitchener	36,727	37,596	(869)	(2.3)
Calgary	3,782	4,199	(417)	(9.9)
Vancouver	7,704	8,472	(768)	(9.1)
Rental Portfolio - Same Asset NOI	\$76,493	\$78,091	\$(1,598)	(2.0)%
Assets Held for Sale - Same Asset NOI	1,261	1,295	(34)	(2.6)%
Rental Portfolio and Assets Held for Sale - Same Asset NOI	\$77,754	\$79,386	\$(1,632)	(2.1)%
Development Portfolio - Same Asset NOI	\$6,473	\$2,479	\$3,994	161.1%
Total Portfolio - Same Asset NOI	\$84,227	\$81,865	\$2,362	2.9%
Acquisitions	—	—	—	
Dispositions	8	13,520	(13,512)	
Lease terminations	8	193	(185)	
Development fees and corporate items	2,912	2,124	788	
Total NOI	\$87,155	\$97,702	\$(10,547)	(10.8)%

Same Asset NOI of the total portfolio increased by \$2,362 or 2.9% for the three months ended March 31, 2024. Same Asset NOI of the rental portfolio decreased by \$1,598 or 2.0% as a result of non-renewals at The Castle and 358-360 Adelaide W in Toronto, and the OddFellows and Telephone Building in Calgary, and 1185 West Georgia in Vancouver of \$2,285. This was partially offset by rent growth and economic occupancy in Montréal of \$265, and increased variable parking revenue of \$576.

Same Asset NOI of the development portfolio increased by \$3,994 or 161.1%, primarily due to rent commencement at The Well and Adelaide & Duncan of \$4,392.

INTEREST EXPENSE

Interest expense for the three months ended March 31, 2024 and 2023, are as follows:

	THREE MONTHS ENDED		CHANGE	
	MARCH 31, 2024	MARCH 31, 2023	\$	%
Interest on debt:				
Mortgages payable	\$941	\$846	\$95	11.2%
Construction loans payable	5,154	3,001	2,153	71.7
Promissory note payable ⁽¹⁾	—	986	(986)	(100.0)
Unsecured revolving operating facility	862	7,472	(6,610)	(88.5)
Senior unsecured debentures	18,664	18,677	(13)	(0.1)
Unsecured term loans	6,994	6,918	76	1.1
Interest on lease liabilities ⁽²⁾	772	801	(29)	(3.6)
Amortization, net discount (premium) on debt ⁽¹⁾	(87)	985	(1,072)	(108.8)
Amortization, net financing costs	731	677	54	8.0
Distributions on Exchangeable LP Units ⁽³⁾	5,314	—	5,314	100.0
	\$39,345	\$40,363	\$(1,018)	(2.5)%
Interest capitalized to qualifying investment properties and residential inventory	(15,914)	(17,799)	1,885	10.6
Interest expense, IFRS basis	\$23,431	\$22,564	\$867	3.8%

(1) On March 31, 2022, Allied acquired a portfolio of six properties from Choice Properties, which was partially settled with the issuance of a \$200,000 promissory note. The promissory note had a contractual interest rate of 2.0% for 2023, and was fully repaid on December 29, 2023.

(2) Excludes interest on a lease liability held for sale of \$nil (March 31, 2023 - \$1,771).

(3) The distributions declared on Exchangeable LP Units are recognized as interest expense upon Allied's conversion to an open-end trust on June 12, 2023.

For the three months ended March 31, 2024, interest expense on an IFRS basis increased by \$867 or 3.8% over the comparable period primarily due to distributions on Exchangeable LP Units of \$5,314 and higher interest expense on construction loans of \$2,153 which had a higher outstanding balance at higher interest rates, partially offset by lower interest expense on the unsecured revolving operating facility of \$6,610.

For the three months ended March 31, 2024, capitalized interest decreased over the comparable period by \$1,885, primarily due to a lower weighted average interest rate.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the three months ended March 31, 2024 and 2023, are as follows:

	THREE MONTHS ENDED		CHANGE	
	MARCH 31, 2024	MARCH 31, 2023	\$	%
Salaries and benefits	\$5,155	\$5,245	\$(90)	(1.7)%
Professional and trustees fees	2,350	2,297	53	2.3
Office and general expenses	1,427	1,417	10	0.7
	\$8,932	\$8,959	\$(27)	(0.3)%
Capitalized to qualifying investment properties	(2,434)	(2,789)	355	12.7
Total general and administrative expenses, IFRS basis	\$6,498	\$6,170	\$328	5.3%

For the three months ended March 31, 2024, general and administrative expenses increased by \$328 or 5.3% from the comparable period. This was primarily due to lower capitalization to qualifying investment properties of \$355 as development and upgrade activities were completed in the period.

INTEREST INCOME

Interest income for the three months ended March 31, 2024 and 2023, are as follows:

	THREE MONTHS ENDED		CHANGE	
	MARCH 31, 2024	MARCH 31, 2023	\$	%
Interest on loans receivable	\$11,907	\$8,743	\$3,164	36.2%
Guarantee fees	944	829	115	13.9
Interest on cash, cash equivalents and deposit	1,908	172	1,736	1,009.3
Interest income, IFRS basis	\$14,759	\$9,744	\$5,015	51.5%

For the three months ended March 31, 2024, interest income increased by \$5,015 or 51.5% over the comparative period primarily due to interest income earned on a higher balance of loans receivable of \$3,164 and interest income earned on cash proceeds from the disposition of the UDC portfolio of \$1,736.

OTHER FINANCIAL PERFORMANCE MEASURES

FFO AND FFO EXCLUDING CONDOMINIUM RELATED ITEMS, FINANCING PREPAYMENT COSTS, AND THE MARK-TO-MARKET ADJUSTMENT ON UNIT-BASED COMPENSATION

Allied's calculation of FFO, a non-GAAP measure, is in compliance with REALPAC's standardized definition in the White Paper. FFO excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation, a non-GAAP measure, starts with the standardized definition of FFO and removes the effects of condominium revenue, condominium cost of sales, condominium marketing costs, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation, as defined on page 16.

For the three months ended March 31, 2024, FFO per unit excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation totalled \$0.578. This is a decrease of \$0.002 or 0.3% over the comparable period in the prior year. The decrease was primarily due to a decrease in operating income of \$12,294 mainly due to the UDC portfolio which was sold in August 2023, partially offset by lower interest expense of \$6,218 (which excludes the distributions on Exchangeable LP Units) and an increase in interest income of \$5,015.

To ensure sufficient cash is retained to meet capital improvement and leasing objectives, Allied strives to maintain an appropriate FFO pay-out ratio excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation, a non-GAAP measure, as defined on page 16. For the three months ended March 31, 2024, the FFO pay-out ratio excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation was 77.8%.

AFFO EXCLUDING CONDOMINIUM RELATED ITEMS, FINANCING PREPAYMENT COSTS, AND THE MARK-TO-MARKET ADJUSTMENT ON UNIT-BASED COMPENSATION

Allied's calculation of AFFO, a non-GAAP measure, is in compliance with REALPAC's standardized definition in the White Paper. AFFO excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation, a non-GAAP measure, starts with the standardized definition of AFFO and removes the effects of condominium revenue, condominium cost of sales, condominium marketing costs, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation, as defined on page 16.

For the three months ended March 31, 2024, AFFO per unit excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation totalled \$0.537. This represents an increase of \$0.004 or 0.8% over the comparable period in the prior year. The increase was primarily due to lower maintenance capital expenditures of \$1,118, partially offset by higher regular leasing expenditures of \$461.

To ensure sufficient cash is retained to meet capital improvement and leasing objectives, Allied strives to maintain an appropriate AFFO pay-out ratio excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation, a non-GAAP measure, as defined on page 16. For the three months ended March 31, 2024, the AFFO pay-out ratio excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation was 83.8%.

RECONCILIATION OF FFO AND AFFO

The following table reconciles Allied's net loss and comprehensive loss from continuing operations to FFO, FFO excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation, AFFO, and AFFO excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation, which are on a non-GAAP basis, for the three months ended March 31, 2024, and March 31, 2023, as defined on page 16.

THREE MONTHS ENDED

	MARCH 31, 2024	MARCH 31, 2023	CHANGE
Net loss and comprehensive loss from continuing operations	\$(18,763)	\$(31,702)	\$12,939
Net income and comprehensive income from discontinued operations	—	18,019	(18,019)
Adjustment to fair value of investment properties and investment properties held for sale	119,192	71,768	47,424
Adjustment to fair value of Exchangeable LP Units	(29,641)	—	(29,641)
Adjustment to fair value of derivative instruments	(7,148)	8,024	(15,172)
Incremental leasing costs	2,711	2,240	471
Amortization of improvement allowances	9,393	8,185	1,208
Amortization of property, plant and equipment ⁽¹⁾	100	100	—
Distributions on Exchangeable LP Units	5,314	—	5,314
Adjustments relating to joint venture:			
Adjustment to fair value on investment properties	(188)	4,023	(4,211)
Amortization of improvement allowances	179	183	(4)
Interest expense ⁽²⁾	—	335	(335)
FFO	\$81,149	\$81,175	\$(26)
Condominium marketing costs	35	120	(85)
Financing prepayment costs	—	—	—
Mark-to-market adjustment on unit-based compensation	(390)	(210)	(180)
FFO excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$80,794	\$81,085	\$(291)
Amortization of straight-line rent	(1,453)	(1,993)	540
Regular leasing expenditures ⁽³⁾	(1,587)	(1,126)	(461)
Regular and recoverable maintenance capital expenditures	(750)	(1,868)	1,118
Incremental leasing costs (related to regular leasing expenditures)	(1,898)	(1,568)	(330)
Adjustment relating to joint venture:			
Amortization of straight-line rent	(45)	(48)	3
Regular leasing expenditures	(7)	—	(7)
AFFO excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$75,054	\$74,482	\$572
Weighted average number of units ⁽⁴⁾			
Basic	139,765,128	139,765,128	—
Diluted	139,765,128	139,765,128	—

THREE MONTHS ENDED

	MARCH 31, 2024	MARCH 31, 2023	CHANGE
Per unit - basic			
FFO	\$0.581	\$0.581	\$—
FFO excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$0.578	\$0.580	\$(0.002)
AFFO excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$0.537	\$0.533	\$0.004
Per unit - diluted			
FFO	\$0.581	\$0.581	\$—
FFO excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$0.578	\$0.580	\$(0.002)
AFFO excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$0.537	\$0.533	\$0.004
Pay-out Ratio			
FFO	77.5%	77.5%	0.0%
FFO excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	77.8%	77.6%	0.2%
AFFO excluding condominium related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	83.8%	84.4%	(0.6%)

(1) Property, plant and equipment relates to owner-occupied property.

(2) This amount represents interest expense on Allied's joint venture investment in TELUS Sky and is not capitalized under IFRS, but is allowed as an adjustment under REALPAC's definition of FFO.

(3) Refer to Capital Expenditures on page 35 for a description of regular leasing expenditures.

(4) The weighted average number of units includes Units and Exchangeable LP Units. The Exchangeable LP Units were re-classified from non-controlling interests in equity to liabilities in the unaudited condensed consolidated financial statements on Allied's conversion to an open-end trust on June 12, 2023.

CAPITAL EXPENDITURES

Our portfolio requires ongoing maintenance capital expenditures and leasing expenditures.

Regular maintenance capital expenditures are costs incurred to maintain and sustain the existing property infrastructure, including structural repairs. Recoverable maintenance capital expenditures are typically not structural in nature, but allow the building to operate more efficiently, such as investing in building automation systems and HVAC systems. These improvements provide a direct benefit to users and can be recovered over the useful life of the asset according to the lease. Both regular maintenance capital expenditures and recoverable maintenance capital expenditures are deducted in the calculation of AFFO.

Regular leasing expenditures are leasing costs incurred to maintain the existing revenues of a property and are deducted in the calculation of AFFO. These costs are considered operational, and typically include improvement allowances, landlord's work and leasing commissions required to replace or renew users at existing rates or market rates.

Revenue-enhancing capital is invested to improve the revenue generating ability of the properties. This includes investments to change the use of space, increase gross leasable area, or materially improve the aesthetics or efficiency of a property. Development costs are investments to generate new revenue streams and/or to increase the productivity of a property. These consist of pre-development costs, carrying costs, direct construction costs, leasing costs, improvement allowances, borrowing costs, and costs of internal staff directly attributable to the projects under development.

	THREE MONTHS ENDED	
	MARCH 31, 2024	MARCH 31, 2023
Revenue-enhancing capital and development costs	\$95,517	\$85,339
Regular and recoverable maintenance capital expenditures	750	1,868
Total capital expenditures	\$96,267	\$87,207
Revenue-enhancing and development leasing expenditures	\$22,470	\$19,356
Regular leasing expenditures	1,587	1,126
Total improvement allowances and leasing commissions	\$24,057	\$20,482

ADJUSTED EBITDA

The following table reconciles Allied's net loss and comprehensive loss to Adjusted EBITDA, a non-GAAP measure, for the three months ended March 31, 2024, and March 31, 2023, as defined on page 16.

	THREE MONTHS ENDED	
	MARCH 31, 2024	MARCH 31, 2023
Net loss and comprehensive loss for the period	\$(18,763)	\$(13,683)
Interest expense	23,431	24,335
Amortization of other assets	437	370
Amortization of improvement allowances	9,572	8,368
Fair value loss on investment properties and investment properties held for sale ⁽¹⁾	119,004	75,791
Fair value gain on Exchangeable LP Units	(29,641)	—
Fair value (gain) loss on derivative instruments	(7,148)	8,024
Mark-to-market adjustment on unit-based compensation	(389)	(210)
Adjusted EBITDA ⁽²⁾	\$96,503	\$102,995

(1) Includes Allied's proportionate share of the equity accounted investment's fair value gain on investment properties of \$188 for the three months ended March 31, 2024, (March 31, 2023 - fair value loss on investment properties of \$4,023).

(2) The Adjusted EBITDA for the three months ended March 31, 2023 includes the Urban Data Centre segment which was classified as a discontinued operation until its disposition in August 2023.

Section III

–Leasing

Allied strives to maintain high levels of occupancy and leased area. At March 31, 2024, Allied's rental portfolio was 87.0% leased.

STATUS

Leasing status for the rental portfolio as at March 31, 2024, is summarized below:

	GLA	AS A % OF TOTAL GLA
Leased area (occupied & committed) - December 31, 2023	13,047,835	87.3%
Vacancy committed for future leases	(121,756)	
Occupancy - December 31, 2023	12,926,079	86.4%
Previously committed vacant space now occupied	64,195	
New leases and expansions on vacant space	124,558	
New vacancies during the period	(295,024)	
Suite additions, remeasurements and removals	(2,433)	
Occupancy before transfers from/(to) PUD and investment properties held for sale	12,817,375	85.7%
Occupancy related to transfers from/(to) PUD and investment properties held for sale	(245,116)	
Occupancy - March 31, 2024 ⁽¹⁾	12,572,259	85.9%
Vacancy committed for future leases	155,785	
Leased area (occupied & committed) - March 31, 2024 ⁽¹⁾	12,728,044	87.0%

(1) Excludes properties under development, investment properties held for sale, and residential GLA.

Of the 14,636,115 square feet total GLA in Allied's rental portfolio, 12,572,259 square feet were occupied on March 31, 2024. Another 155,785 square feet were subject to contractual lease commitments with users whose leases commence subsequent to March 31, 2024, bringing the leased area to 12,728,044 square feet, which represents 87.0% of Allied's total rental portfolio GLA.

The table below outlines the timing of the contractual lease commitments by commencement of occupancy:

FIXTURING COMMENCEMENT (OCCUPANCY)

	Q2 2024	Q3 2024	Q4 2024	Q1 2025	THEREAFTER	TOTAL
Lease commitments - GLA	93,400	9,585	5,790	47,010	—	155,785
% of lease commitments	60.0%	6.2%	3.7%	30.1%	—%	100.0%

In most instances, occupancy commences with a fixturing period prior to rent commencement. During the fixturing period, straight-line rent revenue is recognized. Thereafter, base and additional rent are paid by the user and recognized as rental revenue. In cases where interest and realty taxes were being capitalized prior to occupancy (in accordance with IFRS), capitalization ends on occupancy. During occupancy, rental revenue is recognized and interest and realty taxes are expensed.

In some instances, particularly in ground-up developments, there may be fixturing periods outside of the term of the lease while base building work is being completed. In this case, capitalization is taking place so revenue is not recognized.

The table below outlines the timing of the contractual lease commitments by commencement of rent payment:

RENT COMMENCEMENT (ECONOMIC OCCUPANCY)

	Q2 2024	Q3 2024	Q4 2024	Q1 2025	THEREAFTER	TOTAL
Lease commitments - GLA	46,026	4,818	43,681	39,743	21,517	155,785
% of lease commitments	29.6%	3.1%	28.0%	25.5%	13.8%	100.0%

Allied monitors the level of sub-lease space being marketed in its rental portfolio, below is a summary:

	MARCH 31, 2024	DECEMBER 31, 2023	SEPTEMBER 30, 2023	JUNE 30, 2023
Toronto	532,177	516,084	555,850	530,563
Montréal	138,306	152,207	156,937	216,812
Calgary	76,589	70,714	74,924	70,714
Vancouver	27,153	22,343	35,681	16,964
Total square feet	774,225	761,348	823,392	835,053
% of total GLA	5.3%	5.1%	5.6%	5.8%

USER RETENTION

Allied endeavours to renew leases in advance of expiry or retain users by accommodating them within its portfolio based on their business needs. The retention rate is calculated as the renewed, replaced, or relocated area within our portfolio over the total expiring area over the period. Where the amount of relocated space is different from the area expired, the lesser of the two is utilized. Including relocations and early renewals in the prior year related to the maturities in the three months ended March 31, 2024, Allied leased 69.0% of the expiring GLA which is summarized in the following table:

MATURITIES DURING THE PERIOD	THREE MONTHS ENDED MARCH 31, 2024		
	LEASABLE SF	LEASED SF BY MARCH 31	% LEASED BY MARCH 31
Leased in prior year ⁽¹⁾	77,941	77,941	100.0%
Leased in current year	380,748	164,649	43.2%
Relocations within Allied's portfolio	—	73,816	—
Retention Rate	458,689	316,406	69.0%

(1) In the prior year, these leases were reported as maturities in future years.

ACTIVITY

Allied places a high value on user retention and when retention is neither possible nor desirable, Allied strives to introduce high-quality new users to its portfolio.

Leasing activity in connection with the rental portfolio for the three months ended March 31, 2024, is summarized in the following table:

	LEASABLE SF	LEASED SF BY MARCH 31	% LEASED BY MARCH 31	UNLEASED SF AT MARCH 31
Total GLA as at December 31, 2023	14,954,282			
Leased area as at December 31, 2023	13,047,835			
Unleased area as at December 31, 2023	1,906,447			
Area expiring on December 31, 2023, and vacant on January 1, 2024	146,492			
Vacancy related to transfers from/(to) PUD and investment properties held for sale, including re-measurement	(72,705)			
Unleased area on January 1, 2024 ⁽¹⁾	1,980,234	192,303	9.7%	1,787,931
Maturities during the period ended March 31, 2024 ⁽²⁾	380,748	164,649	43.2%	216,099
Maturities in remainder of 2024	928,926	120,567	13.0%	808,359
Maturities in future years		49,165		
Total ⁽³⁾	3,289,908	526,684		2,812,389

(1) The unleased area on January 1, 2024, including re-measurement, consists of Allied's rental properties owned as at March 31, 2024.

(2) Some maturities occurred at March 31, 2024, and are included in Allied's leased area.

(3) The information above is net of transfers to/from PUD and investment properties held for sale.

The leasing activity in the rental portfolio for the three months ended March 31, 2024, is summarized in the following table:

	THREE MONTHS ENDED MARCH 31, 2024		
	NEW LEASES	RENEWALS	TOTAL
Tours			300
Net leased square feet	277,943	248,741	526,684
Number of transactions	72	63	135
Lease term (in years)	4.5	3.3	3.9

The rental rates achieved for leases that were renewed in the rental portfolio for the three months ended March 31, 2024, are summarized in the following table:

LEASING SPREAD ON RENEWALS	THREE MONTHS ENDED MARCH 31, 2024			
	EXPIRING RATE	RENEWAL RATE	SPREAD	SQUARE FEET
Ending-to-Starting Base Rent				
Total Portfolio	\$22.49	\$23.54	4.7%	248,741
Average-to-Average Base Rent				
Total Portfolio	\$21.66	\$23.77	9.7%	248,741

Leasing activity resulted in an increase of 4.7% in ending-to-starting and 9.7% in average-to-average net rent per square foot from maturing leases upon renewal for the three months ended March 31, 2024, illustrating Allied's ability to generate rent growth upon renewal.

LEASE RENEWAL RATE	THREE MONTHS ENDED MARCH 31, 2024		
	ABOVE IN-PLACE RENTS	AT IN-PLACE RENTS	BELOW IN-PLACE RENTS
% of total leased SF	36.2%	60.3%	3.5%
Maturing leases - weighted average rent	\$24.29	\$20.63	\$36.00
Renewing leases - weighted average rent	\$27.48	\$20.63	\$33.00

USER PROFILE

Allied's user-mix on the basis of percentage of rental revenue for the three months ended March 31, 2024, is summarized in the following table:

CATEGORY	% OF RENTAL REVENUE ⁽¹⁾ MARCH 31, 2024
Business services and professional	37.1%
Telecommunications and information technology	18.2
Media and entertainment	13.7
Retail	10.6
Financial services	6.7
Government	5.6
Life sciences	3.6
Parking and other	3.0
Educational and institutional	1.5
	100.0%

(1) The rental revenue is on a proportionate basis, which is a non-GAAP measure, as defined on page 16.

Information on the top-10 users by rental revenue for the three months ended March 31, 2024, is summarized in the following table:

USER	% OF RENTAL REVENUE ⁽¹⁾	WEIGHTED AVERAGE REMAINING LEASE TERM (YEARS)	% OF TOTAL RENTAL GLA	CREDIT RATING DBRS/S&P/ MOODY'S
Google Canada Corporation ⁽²⁾	3.6%	8.3	3.3%	-/AA+/Aa2
Ubisoft Divertissements Inc.	3.1	8.2	3.7	Not Rated
Shopify Inc.	2.8	10.2	1.8	Not Rated
Société Québécoise des Infrastructures	1.9	4.2	1.9	AAL/AA-/Aa2
TMG MacManus Canada Inc.	1.7	6.7	1.8	Not Rated
Morgan Stanley Services Canada Corp	1.7	5.7	1.5	AH/A-/A1
National Capital Commission	1.6	10.5	1.4	AAA/AAA/Aaa
National Bank of Canada	1.4	2.6	1.4	AA/A/Aa3
Unity Technologies Canada Company	1.3	6.8	1.1	Not Rated
Technicolor Canada Inc.	1.0	4.2	1.0	Not Rated
	20.1%	7.1	18.9%	

(1) The rental revenue is on a proportionate basis, which is a non-GAAP measure, as defined on page 16.

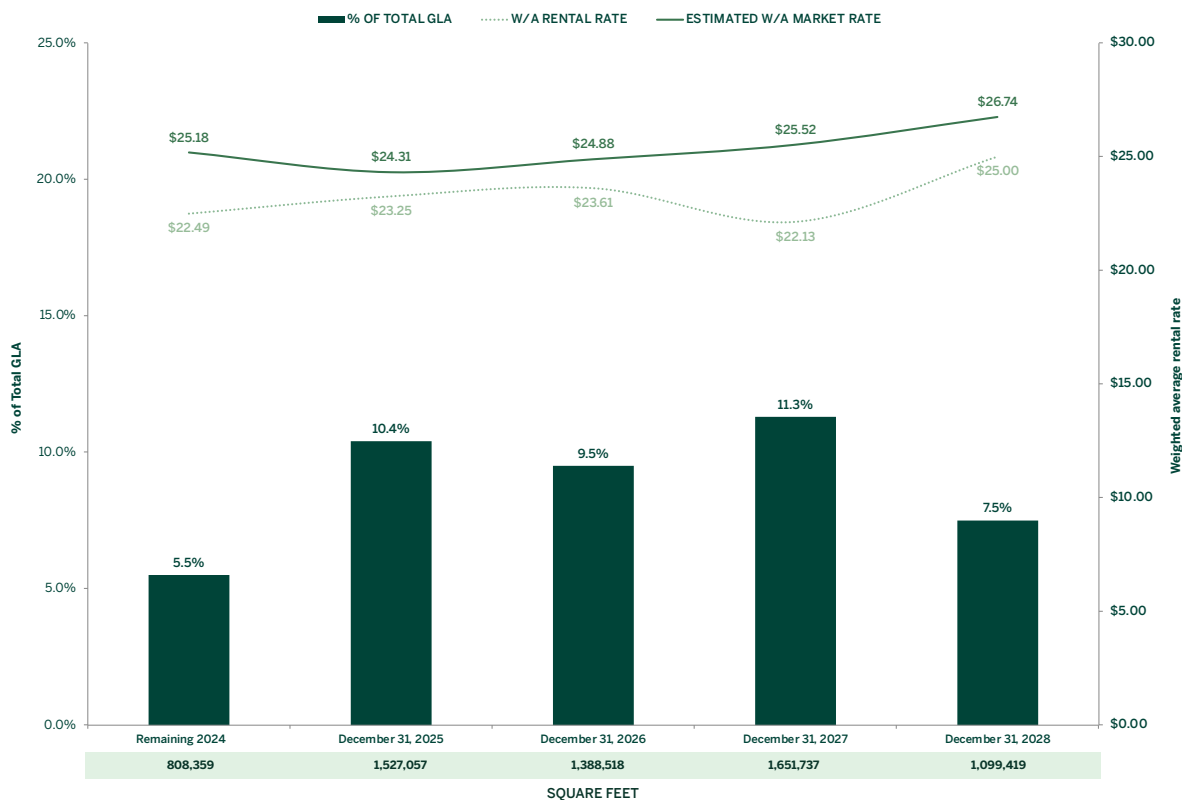
(2) The credit rating for this user is for the parent company.

LEASE MATURITY

As at March 31, 2024, 87.0% of the GLA in Allied’s rental portfolio was leased and its weighted average term to maturity was 5.7 years. The estimated weighted average market net rental rate is based on Management’s estimates of today’s market rental rates and is supported by independent appraisals of certain properties. There can be no assurance that Management’s current estimates are accurate or that they will not change with the passage of time.

The following contains information on the urban workspace leases that mature through 2028 and the corresponding estimated weighted average market rental rate as at March 31, 2024. Where the renewal rate on maturity is contractually predetermined, it is reflected below as the market rental rate.

TOTAL RENTAL PORTFOLIO	SQUARE FEET	% OF TOTAL GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
Remaining 2024	808,359	5.5%	\$22.49	\$25.18
December 31, 2025	1,527,057	10.4%	\$23.25	\$24.31
December 31, 2026	1,388,518	9.5%	\$23.61	\$24.88
December 31, 2027	1,651,737	11.3%	\$22.13	\$25.52
December 31, 2028	1,099,419	7.5%	\$25.00	\$26.74



The following tables contain information on lease maturities by city:

MONTRÉAL & OTTAWA	SQUARE FEET	% OF SEGMENT GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
Remaining 2024	310,938	4.9%	\$16.68	\$19.26
December 31, 2025	364,823	5.7%	\$18.23	\$19.51
December 31, 2026	530,220	8.3%	\$17.42	\$18.86
December 31, 2027	771,088	12.1%	\$16.67	\$21.33
December 31, 2028	450,941	7.0%	\$18.84	\$19.39

TORONTO & KITCHENER	SQUARE FEET	% OF SEGMENT GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
Remaining 2024	295,095	4.8%	\$27.02	\$30.42
December 31, 2025	832,314	13.7%	\$25.91	\$28.58
December 31, 2026	519,280	8.5%	\$26.97	\$28.18
December 31, 2027	678,110	11.1%	\$27.73	\$30.85
December 31, 2028	438,064	7.2%	\$32.53	\$35.36

CALGARY	SQUARE FEET	% OF SEGMENT GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
Remaining 2024	89,404	7.6%	\$14.47	\$13.43
December 31, 2025	258,041	22.0%	\$17.15	\$12.83
December 31, 2026	133,572	11.4%	\$15.30	\$14.09
December 31, 2027	97,972	8.4%	\$12.49	\$10.91
December 31, 2028	131,318	11.2%	\$11.50	\$13.13

VANCOUVER	SQUARE FEET	% OF SEGMENT GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
Remaining 2024	112,922	11.5%	\$32.98	\$37.11
December 31, 2025	71,879	7.3%	\$39.73	\$40.40
December 31, 2026	205,446	21.0%	\$36.47	\$39.11
December 31, 2027	104,567	10.7%	\$35.06	\$35.57
December 31, 2028	79,096	8.1%	\$40.79	\$43.57

Section IV

–Historical Performance

The following sets out summary information and financial results for the eight most recently completed fiscal quarters.

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Rental revenue ⁽¹⁾⁽²⁾	\$143,577	\$150,898	\$138,455	\$136,137	\$138,490	\$135,924	\$131,823	\$130,779
Property operating costs ⁽¹⁾⁽²⁾	(65,106)	(69,029)	(58,558)	(58,037)	(61,325)	(58,639)	(56,401)	(55,686)
Operating income ⁽¹⁾⁽²⁾	\$78,471	\$81,869	\$79,897	\$78,100	\$77,165	\$77,285	\$75,422	\$75,093
Net (loss) income and comprehensive (loss) income ⁽¹⁾	\$(18,763)	\$(499,340)	\$(33,958)	\$126,265	\$(13,683)	\$41,392	\$46,743	\$100,038
per unit (basic and diluted) ⁽¹⁾	\$(0.13)	\$(3.57)	\$(0.24)	\$0.90	\$(0.10)	\$0.30	\$0.33	\$0.72
Net (loss) income attributable to Unitholders ⁽¹⁾	\$(18,763)	\$(499,340)	\$(33,958)	\$124,032	\$(16,447)	\$39,223	\$44,573	\$97,869
per unit (basic and diluted) ⁽¹⁾	\$(0.13)	\$(3.57)	\$(0.24)	\$0.89	\$(0.12)	\$0.28	\$0.32	\$0.70
Net (loss) income from continuing operations ⁽¹⁾⁽²⁾	\$(18,763)	\$(499,340)	\$(25,746)	\$11,081	\$(31,702)	\$20,178	\$101	\$85,516
per unit (basic and diluted) ⁽¹⁾⁽²⁾	\$(0.13)	\$(3.57)	\$(0.18)	\$0.08	\$(0.23)	\$0.14	\$—	\$0.61
Net (loss) income from continuing operations attributable to Unitholders ⁽¹⁾⁽²⁾	\$(18,763)	\$(499,340)	\$(25,746)	\$8,848	\$(34,466)	\$18,009	\$(2,068)	\$83,347
per unit (basic and diluted) ⁽¹⁾⁽²⁾	\$(0.13)	\$(3.57)	\$(0.18)	\$0.06	\$(0.25)	\$0.13	\$(0.01)	\$0.60
Weighted average units (diluted) ⁽³⁾	139,765,128	139,765,128	139,765,128	139,765,128	139,765,128	139,765,128	139,765,373	139,860,134
Distributions ⁽¹⁾⁽⁴⁾	\$62,894	\$62,895	\$62,895	\$62,894	\$62,894	\$61,134	\$61,131	\$61,132
FFO ⁽⁵⁾	\$81,149	\$85,460	\$83,719	\$82,224	\$81,175	\$86,755	\$85,332	\$85,050
FFO per unit (diluted) ⁽⁵⁾	\$0.581	\$0.611	\$0.599	\$0.588	\$0.581	\$0.621	\$0.611	\$0.608
FFO pay-out ratio ⁽⁵⁾	77.5%	73.6%	75.1%	76.5%	77.5%	70.5%	71.6%	71.9%
All amounts below are excluding condominium related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation ⁽⁶⁾								
FFO ⁽⁵⁾	\$80,794	\$85,765	\$83,556	\$82,216	\$81,085	\$86,325	\$84,747	\$84,747
FFO per unit (diluted) ⁽⁵⁾	\$0.578	\$0.614	\$0.598	\$0.588	\$0.580	\$0.618	\$0.606	\$0.606
FFO payout-ratio ⁽⁵⁾	77.8%	73.3%	75.3%	76.5%	77.6%	70.8%	72.1%	72.1%
AFFO ⁽⁵⁾	\$75,054	\$78,611	\$76,174	\$74,958	\$74,482	\$76,553	\$73,508	\$75,947
AFFO per unit (diluted) ⁽⁵⁾	\$0.537	\$0.562	\$0.545	\$0.536	\$0.533	\$0.548	\$0.526	\$0.543
AFFO payout-ratio ⁽⁵⁾	83.8%	80.0%	82.6%	83.9%	84.4%	79.9%	83.2%	80.5%
NAV per unit ⁽⁷⁾	\$44.84	\$45.60	\$49.83	\$50.80	\$50.41	\$50.96	\$51.10	\$51.20
Net debt as a multiple of annualized adjusted EBITDA ⁽⁵⁾	9.4x	8.2x	7.9x	10.5x	10.5x	9.8x	9.6x	9.6x
Total indebtedness ratio ⁽⁵⁾	35.9%	34.7%	34.2%	36.9%	36.5%	35.6%	34.3%	33.9%

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Total rental GLA	14,636	14,954	14,759	14,479	14,423	14,317	14,968	14,812
Leased rental GLA	12,728	13,048	12,934	12,690	12,809	12,998	13,582	13,468
Leased area %	87.0%	87.3%	87.6%	87.6%	88.8%	90.8%	90.7%	90.9%

- (1) This measure is presented on an IFRS basis.
- (2) Excludes the results of the UDC segment which was classified as a discontinued operation in Q4 2022. The prior period comparative figures have been revised accordingly.
- (3) This includes the weighted average number of Units and Exchangeable LP Units.
- (4) Starting Q2 2022, this includes distributions on Units and Exchangeable LP Units. The distributions in Q4 2023 exclude the special cash distributions declared of \$61,419 on Units and \$5,668 on Exchangeable LP Units, and the special Unit distribution declared of \$639,780.
- (5) This is a non-GAAP measure, as defined on page 16. These non-GAAP measures include the results of the continuing operations and the discontinued operations.
- (6) In the fourth quarter of 2022, Allied incurred (\$564) of financing prepayment costs for an accelerated amortization of deferred premium in connection with the favourable refinancing of a mortgage.
- (7) Prior to Allied's conversion to an open-end trust, net asset value per unit ("NAV per unit") was calculated as total equity as at the corresponding period ended, divided by the actual number of Units and Exchangeable LP Units outstanding at period end. On Allied's conversion to an open-end trust on June 12, 2023, NAV per unit was calculated as total equity plus the value of Exchangeable LP Units as at the corresponding period ended, divided by the actual number of Units and Exchangeable LP Units. The rationale for including the value of Exchangeable LP Units is because they are economically equivalent to Units, receive distributions equal to the distributions paid on the Units and are exchangeable, at the holder's option, for Units.

Allied's quarterly results for the past eight quarters are impacted by occupancy, the economic productivity of the portfolio, acquisitions, dispositions, the magnitude and timing of development expenditures and project completions, interest rate fluctuations and changes in the fair values of investment properties and investment properties held for sale.

Section V

–Asset Profile

Allied is an owner-operator of distinctive urban workspace in seven major cities across Canada. Its urban portfolios are concentrated in mixed-use, amenity-rich neighbourhoods.

The following table reconciles the unaudited condensed consolidated balance sheets on an IFRS basis to a proportionate basis, a non-GAAP measure, as at March 31, 2024, and December 31, 2023, as defined on page 16.

	MARCH 31, 2024			DECEMBER 31, 2023		
	IFRS BASIS	INVESTMENT IN JOINT VENTURE	PROPORTIONATE BASIS	IFRS BASIS	INVESTMENT IN JOINT VENTURE	PROPORTIONATE BASIS
Assets						
Non-current assets						
Investment properties	\$9,303,305	\$50,070	\$9,353,375	\$9,387,032	\$102,200	\$9,489,232
Residential inventory	223,097	—	223,097	209,783	—	209,783
Investment in joint venture	8,559	(8,559)	—	8,866	(8,866)	—
Loans and notes receivable	345,311	—	345,311	321,371	—	321,371
Other assets	54,816	1,323	56,139	48,528	1,382	49,910
	9,935,088	42,834	9,977,922	9,975,580	94,716	10,070,296
Current assets						
Cash and cash equivalents	12,991	565	13,556	211,069	1,054	212,123
Loan receivable from joint venture	93,291	(93,291)	—	93,291	(93,291)	—
Loans and notes receivable	195,308	—	195,308	188,382	—	188,382
Accounts receivable, prepaid expenses and deposits	161,219	918	162,137	140,963	851	141,814
Investment properties held for sale	77,500	52,330	129,830	—	—	—
	540,309	(39,478)	500,831	633,705	(91,386)	542,319
Total assets	\$10,475,397	\$3,356	\$10,478,753	\$10,609,285	\$3,330	\$10,612,615
Liabilities						
Non-current liabilities						
Debt	\$3,507,339	\$—	\$3,507,339	\$3,510,366	\$—	\$3,510,366
Lease liabilities	50,848	—	50,848	50,639	—	50,639
Other liabilities	48,994	—	48,994	48,784	—	48,784
	3,607,181	—	3,607,181	3,609,789	—	3,609,789
Current liabilities						
Exchangeable LP Units	208,668	—	208,668	238,309	—	238,309
Debt	211,833	—	211,833	149,245	—	149,245
Accounts payable and other liabilities	389,422	3,356	392,778	476,863	3,330	480,193
	809,923	3,356	813,279	864,417	3,330	867,747
Total liabilities	\$4,417,104	\$3,356	\$4,420,460	\$4,474,206	\$3,330	\$4,477,536
Equity						
Unitholders' equity	\$6,058,293	\$—	\$6,058,293	\$6,135,079	\$—	\$6,135,079
Non-controlling interests	—	—	—	—	—	—
Total equity	\$6,058,293	\$—	\$6,058,293	\$6,135,079	\$—	\$6,135,079
Total liabilities and equity	\$10,475,397	\$3,356	\$10,478,753	\$10,609,285	\$3,330	\$10,612,615

As at March 31, 2024, Allied's portfolio of 213 investment properties consists of 198 rental properties (six of which are partially under development), 11 development properties, and four investment properties held for sale on a proportionate basis, as defined on page 16. Allied's portfolio of investment properties has a fair value of \$9,483,205, including one equity accounted investment in a joint venture.

Changes to the carrying amounts of investment properties and investment properties held for sale on a proportionate basis, a non-GAAP measure, are summarized in the following table, as defined on page 16.

	THREE MONTHS ENDED MARCH 31, 2024		
	RENTAL PROPERTIES	PROPERTIES UNDER DEVELOPMENT	TOTAL
Balance, beginning of period	\$8,471,072	\$1,018,160	\$9,489,232
Additions:			
Improvement allowances ⁽¹⁾	9,706	9,438	19,144
Leasing commissions ⁽¹⁾	2,989	1,924	4,913
Capital expenditures ⁽¹⁾	16,173	80,094	96,267
Transfers from PUD	109,980	(109,980)	—
Transfers to PUD	(19,280)	19,280	—
Transfers to other assets	727	—	727
Amortization of straight-line rent and improvement allowances ⁽¹⁾	(9,687)	1,613	(8,074)
Fair value (loss) gain on investment properties and investment properties held for sale ⁽¹⁾	(88,035)	(30,969)	(119,004)
Balance, end of period	\$8,493,645	\$989,560	\$9,483,205
Investment properties	\$8,363,815	\$989,560	\$9,353,375
Investment properties held for sale	129,830	—	129,830
	\$8,493,645	\$989,560	\$9,483,205

(1) Includes Allied's proportionate share of the equity accounted investment of the following amounts for the three months ended March 31, 2024: improvement allowances of \$32; leasing commissions of \$nil; capital expenditures of \$114; amortization of straight-line rent and improvement allowances of \$(134); and a fair value gain on investment properties of \$188.

As at March 31, 2024, Allied had four investment properties held for sale. There were no investment properties held for sale as at December 31, 2023. The increase of \$129,830 for the three months ended March 31, 2024, is due to the classification of four properties as investment properties held for sale, including the commercial portion of one equity accounted investment in a joint venture.

For the three months ended March 31, 2024, Allied recognized a fair value loss on investment properties and investment properties held for sale of \$119,004 on a proportionate basis. This was due to changes in leasing assumptions in the rental portfolio.

For the three months ended March 31, 2024, Allied capitalized \$15,914 of borrowing costs to its capital expenditures on a proportionate basis, \$10,783 of which related to development activity and \$2,780 to upgrade activity. Allied capitalized \$2,351 of borrowing costs to qualifying residential inventory.

The appraised fair value of investment properties and investment properties held for sale is most commonly determined using the following methodologies:

Discounted cash flow method (“DCF method”) - Under this approach, discount rates are applied to the projected annual operating cash flows, generally over a ten-year period, including a terminal value of the properties based on a capitalization rate applied to the estimated NOI, a non-GAAP measure, in the terminal year.

Comparable sales method - This approach compares a subject property’s characteristics with those of comparable properties which have recently sold. The process uses one of several techniques to adjust the price of the comparable transactions according to the presence, absence, or degree of characteristics which influence value. These characteristics include the cost of construction incurred at a property under development.

Direct capitalization method - Under this approach, capitalization rates are applied to the estimated stabilized NOI of the properties. Estimated stabilized NOI is based on projected rental revenue and property operating costs, and external evidence such as current market rents for similar properties, and is further adjusted for estimated vacancy loss and capital reserves.

Allied determines the fair value of its investment property portfolio every quarter and at year-end with the support of a third-party appraiser. The fair value of each investment property is determined based on various factors, including rental income from current leases, assumptions about rental income and cash outflows related to future leases reflecting market conditions, and recent market transactions.

Allied’s valuation of its investment properties considers both asset-specific and market-specific factors, as well as observable transactions for similar assets. The determination of fair value requires the use of estimates, which are determined with the support of a third-party appraiser and compared with market data, third-party reports, and research, as well as observable market conditions.

In valuing the investment properties as at March 31, 2024, the value derived using the DCF method was compared to the value that would have been calculated by applying a capitalization rate to stabilized NOI.

This is done to assess the reasonability of the value obtained under the DCF method. The resulting portfolio weighted average capitalization rate was 4.84%, detailed in the table below:

OVERALL CAPITALIZATION RATE	MARCH 31, 2024			DECEMBER 31, 2023		
	RANGE %	WEIGHTED AVERAGE %	FAIR VALUE \$ ⁽¹⁾	RANGE %	WEIGHTED AVERAGE %	FAIR VALUE \$ ⁽¹⁾
Montréal & Ottawa	4.50% - 7.00%	5.07%	\$2,548,929	4.50% - 7.00%	5.08%	\$2,550,767
Toronto & Kitchener	4.00% - 6.00%	4.68%	4,622,459	4.00% - 6.00%	4.66%	4,663,539
Calgary	6.75% - 7.75%	7.32%	191,447	6.75% - 7.75%	7.19%	246,946
Vancouver	4.00% - 4.50%	4.19%	898,040	4.00% - 4.50%	4.18%	906,880
Rental Properties	4.00% - 7.75%	4.81%	\$8,260,875	4.00% - 7.75%	4.81%	\$8,368,132
Residential Properties	4.00% - 4.50%	4.38%	102,940	4.00% - 4.50%	4.38%	102,940
Properties Under Development	4.25% - 7.50%	5.15%	989,560	4.25% - 7.50%	5.12%	1,018,160
Investment Properties	4.00% - 7.75%	4.84%	\$9,353,375	4.00% - 7.75%	4.83%	\$9,489,232

(1) Presented on a proportionate basis, which is a non-GAAP measure, as defined on page 16.

RENTAL PROPERTIES

Allied's rental portfolio was built by consolidating the ownership of urban office properties. Scale within each city of focus proved to be important as Allied grew. It enabled Allied to provide users with greater expansion flexibility, more parking and better human and digital connectivity than its direct competitors. Scale across the country also proved to be important. It enabled Allied to serve national and global users better, to expand its growth opportunities and to achieve meaningful geographic diversification.

URBAN WORKSPACE

Allied has evolved into a leading owner-operator of urban workspace in Canada's major cities. As at March 31, 2024, it owns 198 rental properties in six Canadian cities (six of these rental properties are partially under development) and four investment properties held for sale on a proportionate basis, as defined on page 16.

ACQUISITIONS AND DISPOSITIONS

During the three months ended March 31, 2024, Allied did not acquire or dispose of any investment properties.

RENTAL PROPERTIES UNDERGOING INTENSIFICATION APPROVAL

One way Allied creates value is by intensifying the use of underutilized land. The land beneath the buildings in Toronto is significantly underutilized in relation to the existing zoning potential. This is also true of some of Allied's buildings in Kitchener, Montréal, Calgary, and Vancouver. These opportunities are becoming more compelling as the urban areas of Canada's major cities intensify. Since Allied has captured the underutilized land value at a low cost, it can achieve attractive risk-adjusted returns on intensification.

Allied began tracking the intensification potential inherent in the Toronto portfolio in the fourth quarter of 2007. At the time, the 46 properties in Toronto comprised 2.4 million square feet of GLA and were situated on 780,000 square feet (17.8 acres) of underutilized land immediately east and west of the Downtown Core. The 112 properties in Toronto now comprise 5.4 million square feet of current rental portfolio GLA and are situated on 39.5 acres of underutilized land immediately east and west of the Downtown Core. With achievable rezoning, the underlying land in our Toronto portfolio could permit up to 12.0 million square feet of GLA, 6.6 million square feet more than currently is in place.

Allied entered the Montréal market in April of 2005. The 31 properties in Montréal now comprise 6.2 million square feet of current rental portfolio GLA. As they are much larger buildings on average than those comprising the Toronto portfolio, the 40.5 acres of land on which they sit (immediately south, east and northeast of the Downtown Core) are more fully utilized than the land in the Toronto portfolio. Nevertheless, the underlying land in the Montréal portfolio could permit up to 8.8 million square feet of GLA, 2.6 million square feet more than currently is in place.

There is similar potential inherent in the rest of Allied's portfolio, which is quantified in the chart below. Across Canada on a portfolio-wide basis, there are 1.9 million square feet currently in PUD and 10.0 million square feet of potential incremental density, totaling 11.9 million square feet as at March 31, 2024. Of the 10.0 million square feet of potential incremental density, 4.8 million square feet is reflected in the appraised fair values, mainly at properties where zoning approvals are in place. The remaining 5.2 million square feet is not reflected in the appraised fair values.

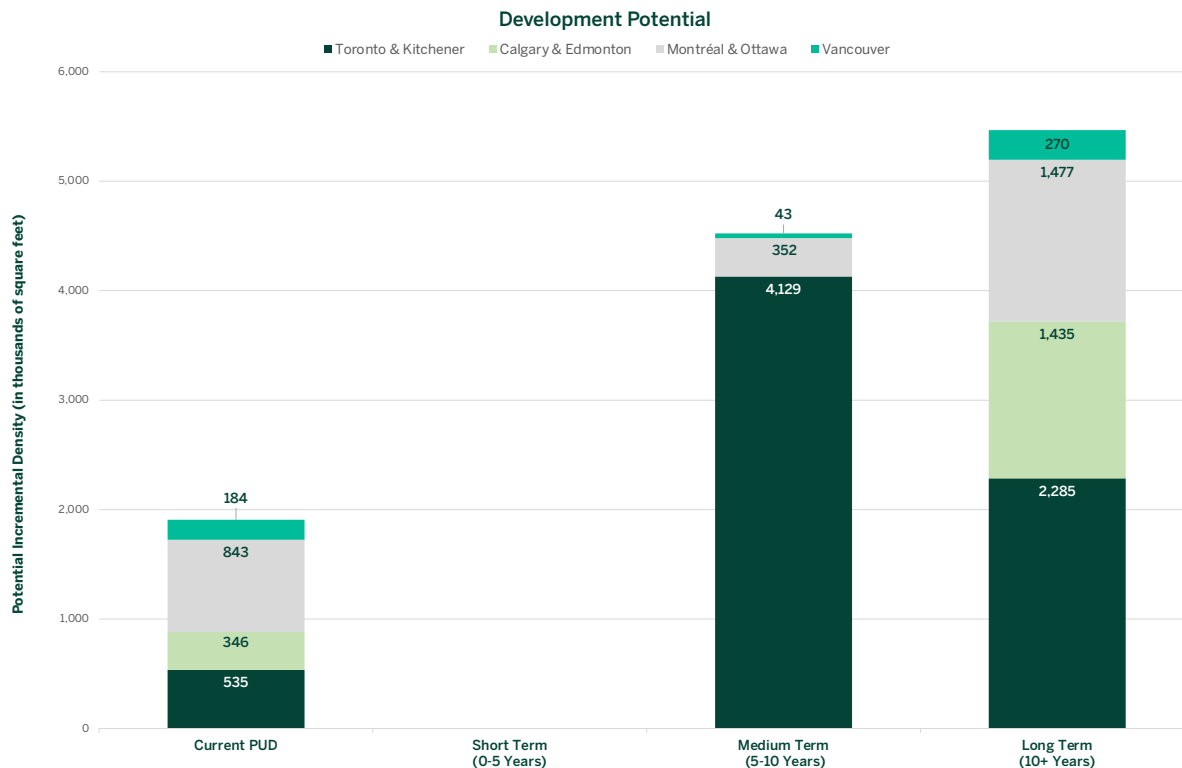
POTENTIAL INCREMENTAL DENSITY (IN SQUARE FEET) - GEOGRAPHIC BREAKDOWN

CITY	CURRENT GLA	CURRENT PUD (ESTIMATED ON COMPLETION)	POTENTIAL INCREMENTAL DENSITY	TOTAL POTENTIAL GLA
Toronto ⁽¹⁾	5,379,729	534,648	6,080,815	11,995,192
Kitchener	709,089	—	332,616	1,041,705
Montréal ⁽²⁾	6,165,573	842,700	1,828,568	8,836,841
Ottawa	231,271	—	—	231,271
Calgary	1,172,021	48,502	1,434,755	2,655,278
Edmonton	—	297,851	—	297,851
Vancouver	978,432	183,640	312,572	1,474,644
Total	14,636,115	1,907,341	9,989,326	26,532,782

(1) The GLA estimated on completion for properties under development in Toronto excludes 649,184 square feet of GLA at The Well and 76,400 square feet of Adelaide & Duncan, which has been transferred to the rental portfolio.

(2) The GLA estimated on completion for properties under development in Montréal excludes 99,943 square feet of GLA at 700 Saint Hubert, which has been transferred to the rental portfolio.

The timing of development for the 10.0 million square feet of potential incremental density is impossible to predict with precision, however the chart below provides a reasonable estimate of when the potential could begin to be realized. One factor is our self-imposed limitation on development activity. The focus will be on the Toronto portfolio.



Allied has initiated the intensification approval process for seven properties in Toronto and three properties in Montréal, all of which are owned in their entirety by Allied. These properties are identified in the following table:

PROPERTY NAME	REZONING APPROVAL STATUS	USE	CURRENT GLA	ESTIMATED GLA ON COMPLETION	ESTIMATED COMPLETION
The Castle ⁽¹⁾	In progress	Office, limited retail	180,281	440,000	Unscheduled
King & Peter ⁽²⁾	Completed	Office, limited retail	86,230	790,000	Unscheduled
King & Spadina ⁽³⁾	In progress	Office, limited retail	77,550	430,000	Unscheduled
King & Brant ⁽⁴⁾	Completed	Office, residential, retail	22,275	240,000	Unscheduled
Union Centre	Completed	Office, limited retail	41,787	1,330,000	Unscheduled
Bathurst Street Assembly ⁽⁵⁾	In progress	Office, residential, retail	36,919	318,000	Unscheduled
Adelaide & Spadina ⁽⁶⁾	Completed	Office, retail	11,015	230,000	Unscheduled
Le Nordelec - Lot A ⁽⁷⁾	In progress	Office	—	230,000	Unscheduled
Le Nordelec - Lot B ⁽⁸⁾	In progress	Office, residential	32,893	744,000	Unscheduled
Le Nordelec - Lot E ⁽⁹⁾	Completed	Office	7,550	135,000	Unscheduled
Total			496,500	4,887,000	

(1) The Castle is comprised of 41-53 Fraser, 8 Pardee Avenue and 135 Liberty Street.

(2) King & Peter is comprised of 82 Peter and 388 King W.

(3) King & Spadina is comprised of 460 King W, 468 King W, the surface parking lot at 464 King W, and the surface parking lot at 78 Spadina.

(4) King & Brant is comprised of 540 King W, 544 King W and the surface parking lot at 7-9 Morrison.

(5) Bathurst Street Assembly is comprised of 141 Bathurst, 579 Richmond, the surface parking lot at 555 Richmond and the associated ancillary residential properties at Bathurst and Richmond.

(6) Adelaide & Spadina is comprised of 383 Adelaide W and 387 Adelaide W.

(7) Le Nordelec - Lot A is comprised of 1900 Saint-Patrick and 1700 Saint-Patrick.

(8) Le Nordelec - Lot B is comprised of 1655 Richardson and the adjacent surface parking lot.

(9) Le Nordelec - Lot E is comprised of 1301-1303 Montmorency.

Estimated GLA is based on applicable standards of area measurement and the expected or actual outcome of rezoning. These properties are currently generating NOI and will continue to do so until Allied initiates construction. With respect to the ultimate intensification of these properties, a significant amount of pre-leasing will be required on the larger projects before construction commences. Allied intends to align all ground-up developments with its Net Zero Carbon Plan.

DEVELOPMENT PROPERTIES

Development is another way to create value and a particularly effective one for Allied, given the strategic positioning of its portfolio in the urban areas of Canada's major cities. Urban intensification is the single most important trend in relation to Allied's business. Not only does it anchor Allied's investment and operating focus, it provides the context within which Allied creates value for its Unitholders.

The completion of projects currently under development is an important component of Allied's growth. The expectation is largely contingent upon completing the development projects in the manner contemplated. The most important factor affecting completion will be successful lease-up of space in the development portfolio. The material assumption is that there continues to be demand for leasing office space. Allied will not commence material development of its urban office portfolio unless it has significant pre-leased commitments to mitigate risk. Pursuant to Allied's Declaration of Trust, the cost of Properties Under Development cannot exceed 15% of GBV. At March 31, 2024, the cost of Allied's Properties Under Development was 11.1% of GBV (December 31, 2023 - 11.6%). This self-imposed limitation is intended to align the magnitude of Allied's development activity with the overall size of the business.

Properties Under Development consist of properties purchased with the intention of being developed or redeveloped before being operated and properties transferred from the rental portfolio once activities changing the condition or state of the property, such as the de-leasing process, commence.

Allied has the following 11 Properties Under Development and six rental properties partially under development. Seven of the projects are ground-up developments and ten are redevelopments.

GROUND-UP DEVELOPMENTS

Ground-up development involves construction of significant amounts of new leasable area.

PROPERTY NAME	USE	ESTIMATED GLA ON COMPLETION (SF)	% OF OFFICE DEVELOPMENT PRE-LEASED
The Well, Toronto ⁽¹⁾⁽²⁾⁽³⁾	Office, retail	763,000	98%
Adelaide & Duncan, Toronto ⁽³⁾⁽³⁾⁽⁴⁾	Office, retail, residential	220,400	100
QRC West Phase II, Toronto ⁽⁵⁾	Office, retail	93,134	100
KING Toronto, Toronto ⁽¹⁾⁽⁶⁾	Office, retail	100,000	—
108 East 5th Avenue, Vancouver ⁽¹⁾	Office	102,000	54
700 Saint Hubert, Montréal ⁽³⁾⁽⁷⁾	Office, retail	143,849	70
365 Railway, Vancouver	Office	60,000	—
Total		1,482,383	81%

(1) These properties are co-owned, reflected in the table above at Allied's ownership interest.

(2) Each of Allied and RioCan own an undivided 50% interest in The Well. The GLA components (in square feet) at Allied's 50% share will be as follows: approximately 584,000 of office, 160,000 of retail, 19,000 of storage.

(3) A portion of the property been transferred to the rental portfolio. The information in the table includes both the rental and development portions.

(4) The GLA component (in square feet) at our 50% share of the commercial portion is 76,400 and was completed in Q1 2024. The remaining GLA is the residential portion of 144,000.

(5) The GLA components (in square feet) are as follows: 77,434 of office and 15,700 of retail.

(6) Allied entered into a joint arrangement with Westbank to develop KING Toronto. As part of the arrangement, Allied sold a 50% undivided interest to Westbank. KING Toronto is comprised of the following properties: 489 King W, 495 King W, 499 King W, 511-529 King W, 533 King W, and 539 King W. The GLA components (in square feet) at our 50% share will be as follows: 60,000 of retail and 40,000 of office.

(7) The GLA components (in square feet) are as follows: 143,049 of office and 800 of retail.

REDEVELOPMENTS

Redevelopment involves transformation of existing leasable area to enhance revenue-producing capability.

PROPERTY NAME	USE	ESTIMATED GLA (SF)
400 Atlantic, Montréal ⁽¹⁾	Office, retail	87,473
Boardwalk-Revillon Building, Edmonton ⁽²⁾	Office, retail	297,851
185 Spadina, Toronto	Office	55,213
342 Water, Vancouver ⁽³⁾	Office, retail	21,640
1001 Boulevard Robert-Bourassa, Montréal ⁽⁴⁾⁽⁵⁾	Office, retail	298,342
RCA Building, Montréal ⁽⁵⁾	Office	227,935
422-424 Wellington W, Toronto	Retail	10,000
3575 Saint Laurent, Montréal ⁽⁶⁾	Office, retail	184,779
Kipling Square, Calgary ⁽⁷⁾	Office	48,502
469 King W, Toronto ⁽⁵⁾⁽⁷⁾	Office	18,485
Total		1,250,220

(1) The GLA components (in square feet) are as follows: 87,181 of office and 292 of retail.

(2) The GLA components (in square feet) are as follows: 233,559 of office and 64,292 of retail.

(3) The GLA components (in square feet) are as follows: 15,385 of office and 6,255 of retail.

(4) The GLA components (in square feet) are as follows: 275,699 of office and 22,643 of retail.

(5) The GLA represents the portion of the property that is under development.

(6) The GLA components (in square feet) are as follows: 169,166 of office and 15,613 of retail.

(7) Conversion from office to retail planning is underway to optimize the use of this property.

The following table sets out Allied's Properties Under Development as at March 31, 2024, as well as Management's estimates with respect to the financial outcome on completion. Estimated NOI from development completion is based on stabilized occupancy and, in the first year, its impact is moderated by the discontinuation of capitalized costs.

PROPERTY NAME	TRANSFER TO RENTAL PORTFOLIO	ESTIMATED ANNUAL NOI	ESTIMATED TOTAL COST	ESTIMATED YIELD ON COST	ESTIMATED COST TO COMPLETE
The Well, Toronto ⁽¹⁾⁽²⁾	Q3 2022 to Q3 2024	\$37,500 - 43,250	\$809,000	4.6% - 5.3%	\$4,949
700 Saint Hubert, Montréal	Q3 2023 to Q2 2024	4,650 - 5,500	138,664	3.4% - 4.0%	1,809
Adelaide & Duncan, Toronto ⁽¹⁾⁽³⁾	Q4 2023 to Q4 2024	10,500 - 11,500	240,007	4.4% - 4.8%	35,563
QRC West, Phase II, Toronto	Q2 2024	4,660 - 4,770	94,700	4.9% - 5.0%	1,346
108 East 5th Avenue, Vancouver ⁽¹⁾	Q1 2025	4,350 - 4,600	108,884	4.0% - 4.2%	31,417
KING Toronto, Toronto ⁽¹⁾⁽⁴⁾	Q4 2025	5,000 - 6,000	128,505	3.9% - 4.9%	31,892
365 Railway, Vancouver	TBD	TBD	TBD	TBD	TBD
Redevelopments	Q2 2024 to Q1 2025	24,909 - 27,563	587,096	4.2% - 4.7%	57,469
Total		\$91,569 - 103,183+			

- (1) *These properties are co-owned, reflected in the table above at Allied's ownership percentage.*
- (2) *The estimated costs are net of the actual gross proceeds from the sale of the The Well Air Rights of \$111,758 (at Allied's share). The transfer of The Well to the rental portfolio is occurring in phases.*
- (3) *The project is anticipated to be completed in two phases. The commercial phase of the property was completed in Q1 2024. The residential phase is scheduled for completion in Q4 2024.*
- (4) *Allied entered into a joint arrangement with Westbank to develop KING Toronto. As part of the arrangement, Allied sold a 50% undivided interest to Westbank. KING Toronto is comprised of the following properties: 489 King W, 495 King W, 499 King W, 511-529 King W, 533 King W, and 539 King W. The estimated gross proceeds from the sale of the residential inventory is in the range of \$290,000 - \$295,000. The estimated total cost includes the commercial and residential components and is net of the estimated gross proceeds from the sale of the residential inventory of \$290,000.*

The initial cost of Properties Under Development includes the acquisition cost of the property, direct development costs, operating costs, realty taxes and borrowing costs directly attributable to the development. Borrowing costs, operating costs and realty taxes associated with direct expenditures on Properties Under Development are capitalized. The amount of capitalized borrowing costs is determined first by reference to borrowings specific to the project, where relevant, and otherwise by applying a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments.

Transfer to the rental portfolio occurs when the property is capable of operating in the manner intended by Management. Generally this occurs upon completion of construction and receipt of all necessary occupancy and other permits. In some instances, particularly in ground-up developments like The Well, base building work is underway during the fixturing period. In this case, transfer to the rental portfolio occurs when the base building work is complete. Estimated annual NOI is based on 100% economic occupancy. The most important factor affecting estimated annual NOI is the successful lease-up of vacant space in the development properties at current levels of net rent per square foot. The material assumption is that the office leasing market in the relevant markets remains stable. Estimated total cost includes acquisition cost, estimated total construction, financing costs and realty taxes. The material assumption made in formulating the estimated total cost is that construction and financing costs remain stable for the remainder of the development period. Estimated yield on cost is the estimated annual NOI as a percentage of the estimated total cost. Estimated cost to complete is the difference between the estimated total cost and the costs incurred to date.

RESIDENTIAL INVENTORY

Residential inventory is as follows:

	MARCH 31, 2024	DECEMBER 31, 2023
KING Toronto	\$223,097	\$209,783

The changes in the aggregate carrying value of Allied's residential inventory are as follows:

	MARCH 31, 2024	DECEMBER 31, 2023
Balance, beginning of period	\$209,783	\$187,272
Development expenditures	13,314	37,887
Impairment	—	(15,376)
Balance, end of period	\$223,097	\$209,783

Residential inventory consists of assets that are developed by Allied for sale in the ordinary course of business. Allied may transfer an investment property to residential inventory based on a change in use, as evidenced by the commencement of development activities with the intention to sell. Alternatively, a transfer from residential inventory to investment property would be evidenced by the commencement of leasing activity.

On November 30, 2018, Allied entered into a joint arrangement with Westbank to develop KING Toronto. KING Toronto is a mixed-use property comprised of office, retail and residential uses. As part of the arrangement Allied sold a 50% undivided interest to Westbank. The residential component will be developed and sold as condominium units, totaling 440 units. As at March 31, 2024, 397 units or 90% have been pre-sold, subject to customary closing conditions. Management expects the condominium sales to commence closing at the end of 2025.

Residential inventory carrying value is calculated as the estimated gross proceeds less estimated costs to complete. The impairment during the year ended December 31, 2023, reflects higher estimated costs to complete.

LOANS RECEIVABLE

The table below summarizes the loans receivable as at March 31, 2024, and December 31, 2023.

	MATURITY DATE	MARCH 31, 2024	DECEMBER 31, 2023
Adelaide & Duncan	N/A ⁽¹⁾	\$21,173	\$21,173
400 West Georgia	August 20, 2024	195,282	188,355
KING Toronto	December 31, 2026 ⁽²⁾	128,088	112,161
Breithaupt Phase III	N/A ⁽³⁾	9,913	9,913
150 West Georgia	December 9, 2025	186,114	178,095
Total loans receivable		\$540,570	\$509,697

(1) The loan is repayable when the joint arrangement obtains external permanent financing.

(2) The facility matures at the earlier of December 31, 2026, or the closing of the condominium units.

(3) The loan is repayable in installments upon rent commencement.

Allied has a joint arrangement with Westbank. As part of the arrangement, Allied advanced \$21,173 to Westbank for its purchase of a 50% undivided interest in Adelaide & Duncan. The facility is secured by a charge on the property (subordinated to the construction lender) and assignment of rents and leases. Interest accrues and is payable monthly at a rate of 7.75% per annum.

Allied has an arrangement with Westbank to provide a credit facility of up to \$175,000, plus interest, for the land acquisition and the pre-development costs of 400 West Georgia in Vancouver. The facility is secured by Westbank's covenant and a charge on the property (subordinated to the construction lender). Interest accrues to the credit facility monthly at the greater of (i) 6.75% per annum; and (ii) prime plus 3.00% per annum.

Allied has a joint arrangement with Westbank to develop KING Toronto. As part of the arrangement, Allied advanced a loan (the "Original Facility"), in the principal amount of \$73,414, to Westbank for its purchase of a 50% undivided interest in the property. Interest accrued to the Original Facility at a rate of 7.00% per annum for the period up to and including November 30, 2023. Thereafter, interest accrues to the Original Facility at the greater of (i) 7.00% per annum; and (ii) prime plus 3.00% per annum. During the fourth quarter of 2023, the loan was further amended to add an additional credit facility in an aggregate principal amount not to exceed \$40,000 (the "Additional Facility"). Interest accrues to the Additional Facility at a rate of prime plus 8.00% per annum.

Allied has a joint arrangement with Perimeter to develop Breithaupt Phase III and a loan receivable arrangement to provide 50% of the pre-development costs. The facility is secured by a charge on the property (subordinated to the construction lender). Interest accrues at a rate of 7.00% per annum.

Allied has an arrangement with Westbank to provide a credit facility of up to \$185,000, plus interest, for the land acquisition and the pre-development costs of 150 West Georgia in Vancouver. The facility is secured by a first mortgage on the property for a fixed term. On placement of construction financing, the mortgage will be secured by a charge on the property (subordinated to the construction lender). Interest accrues to the credit facility monthly at a rate of 7.00% per annum.

Allied has assessed the expected credit losses on an individual loan basis. Allied assesses the risk of expected credit losses, including considering the status of corporate guarantees and/or registered mortgage charges and assignment of leases, outcome of credit checks on borrowers, results of monitoring the financial and operating performance of borrowers, construction and leasing status on the development projects, timing of rent commencement on leases, and status of scheduled principal and interest payments.

Section VI

–Liquidity and Capital Resources

Allied's liquidity and capital resources are used to fund capital investments including development activity and leasing costs, interest expense and distributions to Unitholders. The primary source of liquidity is net operating income generated from rental properties, which is dependent on rental and occupancy rates and the structure of lease agreements, among other variables.

Allied has financed its operations through the use of equity, Exchangeable LP Units, mortgage debt secured by rental properties, construction loans, an unsecured revolving operating facility, senior unsecured debentures and unsecured term loans. Conservative financial management has been consistently applied through the use of long term, fixed rate, debt financing. Allied's objective is to maximize financial flexibility while continuing to strengthen the balance sheet. As at March 31, 2024, 92.3% of investment properties on a proportionate basis were unencumbered.

Allied has various sources of liquidity, including cash and cash equivalents and the unused portion of its unsecured revolving operating facility.

DEBT

The following illustrates the calculation of debt (net of transaction costs) on an IFRS basis and net debt, a non-GAAP measure, as defined on page 16, as at March 31, 2024, and December 31, 2023. As at March 31, 2024, 91.2% of Allied's debt is at a fixed rate (December 31, 2023 - 92.7%).

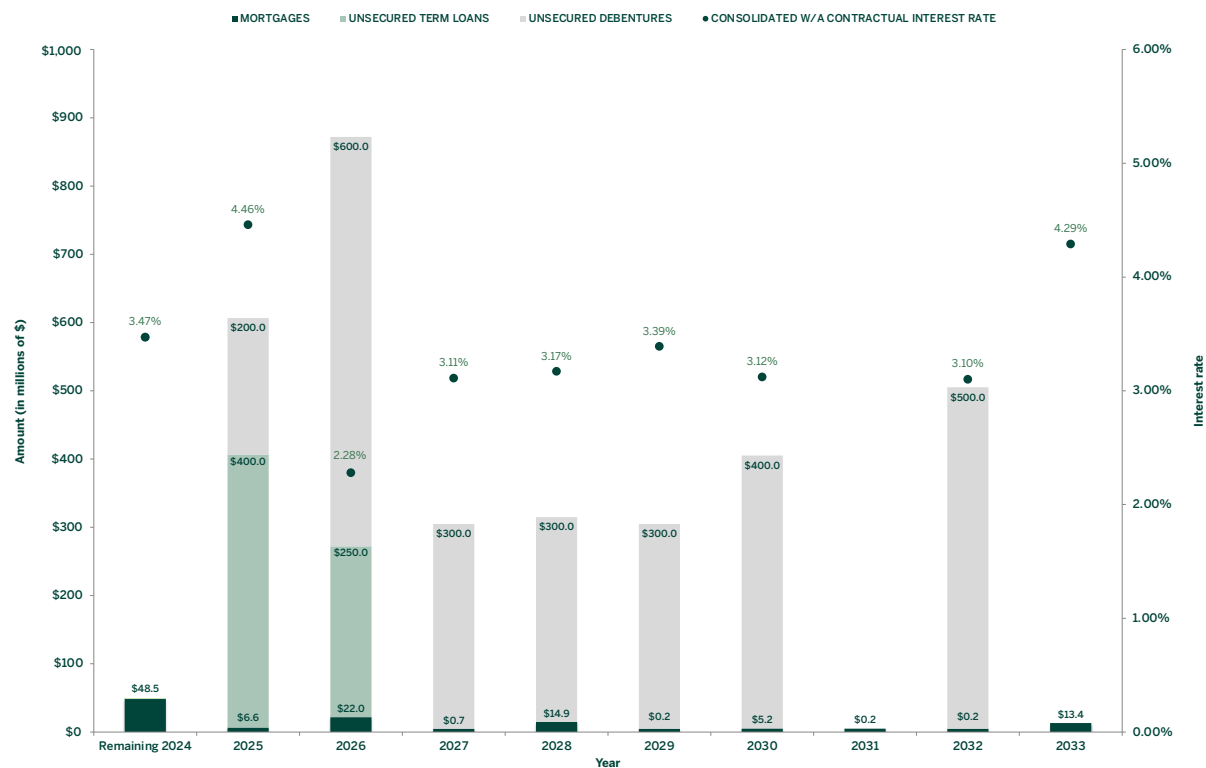
	MARCH 31, 2024	DECEMBER 31, 2023
Mortgages payable	\$110,242	\$111,875
Construction loans payable	316,503	307,013
Unsecured revolving operating facility	51,095	—
Senior unsecured debentures	2,592,069	2,591,569
Unsecured term loans	649,263	649,154
Debt, IFRS basis	\$3,719,172	\$3,659,611
Less: cash, cash equivalents and deposits ⁽¹⁾	89,522	288,595
Net debt	\$3,629,650	\$3,371,016

(1) This is on a proportionate basis and includes cash and cash equivalents attributable to TELUS Sky totaling \$565 as at March 31, 2024 (December 31, 2023 - \$1,054).

The table below summarizes the scheduled principal maturity and weighted average contractual interest rates for Allied's mortgages payable, unsecured debentures and unsecured term loans.

	MORTGAGES PAYABLE	INTEREST RATE OF MATURING MORTGAGES	SENIOR UNSECURED DEBENTURES	INTEREST RATE	UNSECURED TERM LOANS	INTEREST RATE	TOTAL	CONSOLIDATED INTEREST RATE OF MATURING DEBT
Remaining 2024	\$48,539	3.47%	\$—	—%	\$—	—%	\$48,539	3.47%
2025	6,578	—	200,000	3.64	400,000	4.87	606,578	4.46
2026	21,996	3.59	600,000	1.73	250,000	3.50	871,996	2.28
2027	655	—	300,000	3.11	—	—	300,655	3.11
2028	14,926	4.04	300,000	3.13	—	—	314,926	3.17
2029	183	—	300,000	3.39	—	—	300,183	3.39
2030	5,191	—	400,000	3.12	—	—	405,191	3.12
2031	199	—	—	—	—	—	199	—
2032	208	—	500,000	3.10	—	—	500,208	3.10
2033	13,396	4.29	—	—	—	—	13,396	4.29
	\$111,871	3.38%	\$2,600,000	2.86%	\$650,000	4.34%	\$3,361,871	3.17%

The chart below summarizes the maturities of principal for Allied’s debt (excluding construction loans and the unsecured revolving operating facility), which has a weighted average term of 3.8 years, as at March 31, 2024:



The table below summarizes the weighted average effective interest rate as at March 31, 2024:

	MORTGAGES PAYABLE	SENIOR UNSECURED DEBENTURES	UNSECURED TERM LOANS	UNSECURED FACILITY	TOTAL
Weighted average effective interest rate as at March 31, 2024	3.08%	2.86%	4.34%	6.86%	3.21%

MORTGAGES PAYABLE

As at March 31, 2024, mortgages payable, net of financing costs, total \$110,242 and have a weighted average contractual interest rate of 3.38% (December 31, 2023 - 3.38%). The weighted average term of the mortgage debt is 3.1 years (December 31, 2023 - 3.3 years). The mortgages are secured by a first registered charge over specific investment properties and first general assignments of leases, insurance and registered chattel mortgages.

The following table contains information on the remaining contractual mortgage maturities:

	PRINCIPAL REPAYMENTS	BALANCE DUE AT MATURITY	MARCH 31, 2024	DECEMBER 31, 2023
Remaining 2024	\$1,871	\$46,668	\$48,539	
2025	6,578	—	6,578	
2026	1,553	20,443	21,996	
2027	655	—	655	
2028	469	14,457	14,926	
2029	183	—	183	
2030	5,191	—	5,191	
2031	199	—	199	
2032	208	—	208	
2033	107	13,289	13,396	
Mortgages, principal	\$17,014	\$94,857	\$111,871	\$112,677
Net premium on assumed mortgages			146	233
Net financing costs			(1,775)	(1,035)
			\$110,242	\$111,875

CONSTRUCTION LOANS PAYABLE

As at March 31, 2024, and December 31, 2023, Allied's obligations under the construction loans are as follows:

JOINT ARRANGEMENT	OWNERSHIP	DATE OF MATURITY	MARCH 31, 2024	DECEMBER 31, 2023
Adelaide & Duncan	50%	August 11, 2025	\$114,986	\$110,046
Breithaupt Phase III	50%	March 31, 2025	58,005	58,005
KING Toronto	50%	December 17, 2024	99,900	99,900
108 East 5th Avenue	50%	December 6, 2025	43,612	39,062
			\$316,503	\$307,013

The Adelaide & Duncan joint arrangement has a \$295,000 construction lending facility from a syndicate of Canadian banks, in which Allied's 50% share is \$147,500. The loan bears interest at bank prime plus 35 basis points or bankers' acceptance rate plus 135 basis points with a standby fee of 25 basis points and a letter of credit fee of 100 basis points. Allied is providing a joint and several guarantee of the entire facility and is earning a related guarantee fee on up to \$147,500 of the facility. The Adelaide & Duncan joint arrangement entered into a swap agreement to fix approximately 75% of the construction loan up to \$209,572 at 2.86%, which matured on March 31, 2023.

Allied and Perimeter have a \$138,000 construction loan for the Breithaupt Phase III joint arrangement from a syndicate of Canadian banks, in which Allied's 50% share is \$69,000. The loan bears interest at bank prime plus 25 basis points or bankers' acceptance rate plus 145 basis points with a standby fee of 20 basis points and a letter of credit fee of 100 basis points. Allied is providing a joint and several guarantee of the entire facility and is earning a related guarantee fee on up to \$69,000 of the facility.

Allied and Westbank have a \$465,000 green construction lending facility for the KING Toronto joint arrangement from a syndicate of Canadian banks, in which Allied's 50% share is \$232,500. Up to \$120,000 of the deposits paid by the purchasers of the KING Toronto condominium units can be released to the KING Toronto joint arrangement to fund the construction of the condominium units ("Purchaser Deposits"). As at December 31, 2023, \$92,402 of the Purchaser Deposits were released. When the release of the Purchaser Deposits exceeds \$80,000, the facility limit is reduced. As such, on November 6, 2023, the facility limit was decreased from \$465,000 to \$452,598, in which Allied's 50% share is \$226,299. The loan bears interest at bank prime plus 45 basis points or bankers' acceptance rate plus 145 basis points with a standby fee of 25 basis points and a letter of credit fee of 100 basis points. Allied is providing a joint and several guarantee of the entire facility and is earning a related guarantee fee on up to \$226,299 of the facility.

The 108 East 5th Avenue joint arrangement has a \$150,000 construction lending facility from a syndicate of Canadian banks, in which Allied's 50% share is \$75,000. The loan bears interest at prime plus 35 basis points or bankers' acceptance rate plus 135 basis points with a standby fee of 27 basis points and a letter of credit fee rate of 100 basis points. These interest rates and the standby fee (other than the letter of credit fee) are subject to variability based on the achievement of two distinct sustainability performance targets. For each sustainability performance target achieved, the interest rate and standby fee would decrease by 0.025% per annum and 0.005% per annum, respectively. In addition, if certain sustainability minimums are not achieved, the interest rate and standby fee would increase by 0.025% per annum and 0.005% per annum, respectively. Depending on the applicable sustainability performance target or sustainability minimum, the settlement of these interest rate variations and the standby fee occurs either annually or at the earlier of December 6, 2025, and the date the construction lending facility is fully repaid. Allied has provided a joint and several guarantee of the entire facility and is earning a related guarantee fee on up to \$75,000 of the facility. On January 13, 2023, the 108 East 5th Avenue joint arrangement entered into a swap agreement to fix approximately 75% of the construction loan up to \$110,175 at 4.90%.

UNSECURED REVOLVING OPERATING FACILITY

As at March 31, 2024, and December 31, 2023, Allied's obligation under the unsecured revolving operating facility (the "Unsecured Facility") is as follows:

MARCH 31, 2024						
MATURITY DATE	CONTRACTUAL INTEREST RATES ON DRAWINGS	STANDBY FEE	FACILITY LIMIT ⁽¹⁾	DRAWINGS	LETTERS OF CREDIT	AMOUNT AVAILABLE
January 26, 2027	Prime + 0.45% or CORRA + 1.45% ⁽²⁾	0.29%	\$800,000	\$(51,095)	\$(32,528)	\$716,377

(1) This Unsecured Facility contains a \$100,000 accordion feature, allowing Allied to increase the amount available under the facility to \$900,000.

(2) The interest rates on drawings for this facility are subject to certain conditions being met. In the event that these conditions are not met, the spread above Prime or CORRA would change.

DECEMBER 31, 2023						
MATURITY DATE	CONTRACTUAL INTEREST RATES ON DRAWINGS	STANDBY FEE	FACILITY LIMIT ⁽¹⁾	DRAWINGS	LETTERS OF CREDIT	AMOUNT AVAILABLE
January 30, 2025	Prime + 0.45% or Bankers' acceptance + 1.45% ⁽²⁾	0.29%	\$800,000	\$—	\$(14,906)	\$785,094

(1) This Unsecured Facility contained a \$100,000 accordion feature, allowing Allied to increase the amount available under the facility to \$900,000.

(2) The interest rates on drawings for this facility are subject to certain conditions being met. In the event that these conditions are not met, the spread above Prime or Bankers' acceptance would change.

On March 31, 2023, Allied amended the Unsecured Facility to increase the limit by \$100,000 to \$700,000 and on June 26, 2023, Allied amended the Unsecured Facility to increase the limit by \$100,000 to \$800,000. On January 26, 2024, Allied updated the Unsecured Facility of \$800,000 to include a syndicate of lenders and extend the maturity date to January 26, 2027. In addition, due to the anticipated cessation of the publication of CDOR by June 28, 2024, which is being replaced by the Canadian Overnight Repo Rate Average ("CORRA"), Allied amended the Unsecured Facility to update the benchmark rates in this agreement from CDOR to CORRA, including a fixed spread for the basis difference between CDOR and CORRA, so there is no economic impact to Allied. The Unsecured Facility bears interest at a variable rate of either prime plus 45 basis points or CORRA plus 145 basis points per annum with a standby fee of 29 basis points and a letter of credit fee rate of 100 basis points.

SENIOR UNSECURED DEBENTURES

As at March 31, 2024, and December 31, 2023, Allied's obligations under the senior unsecured debentures are as follows:

SERIES	CONTRACTUAL INTEREST RATE	DATE OF MATURITY	INTEREST PAYMENT DATE	MARCH 31, 2024	DECEMBER 31, 2023
Series C	3.636%	April 21, 2025	April 21 and October 21	\$200,000	\$200,000
Series D	3.394%	August 15, 2029	February 15 and August 15	300,000	300,000
Series E	3.113%	April 8, 2027	April 8 and October 8	300,000	300,000
Series F	3.117%	February 21, 2030	February 21 and August 21	400,000	400,000
Series G	3.131%	May 15, 2028	May 15 and November 15	300,000	300,000
Series H	1.726%	February 12, 2026	February 12 and August 12	600,000	600,000
Series I	3.095%	February 6, 2032	February 6 and August 6	500,000	500,000
Unsecured Debentures, principal				\$2,600,000	\$2,600,000
Net financing costs				(7,931)	(8,431)
				\$2,592,069	\$2,591,569

The Series C, D, E, F, G, H and I Senior Unsecured Debentures are collectively referred to as the "Unsecured Debentures".

The respective financing costs recognized are amortized using the effective interest method and recorded to interest expense.

UNSECURED TERM LOANS

As at March 31, 2024, and December 31, 2023, Allied's obligations under the unsecured term loans are as follows:

	CONTRACTUAL INTEREST RATE	DATE OF MATURITY	FREQUENCY OF INTEREST PAYMENT	MARCH 31, 2024	DECEMBER 31, 2023
Unsecured term loan	3.496%	January 14, 2026	Monthly	\$250,000	\$250,000
Unsecured term loan	4.865%	October 22, 2025	Monthly	400,000	400,000
Unsecured Term Loans, principal				\$650,000	\$650,000
Net financing costs				(737)	(846)
				\$649,263	\$649,154

The two unsecured term loans are collectively referred to as "Unsecured Term Loans". The respective financing costs are amortized using the effective interest method and recorded to interest expense.

On February 3, 2023, Allied extended the maturity date on its \$250,000 unsecured term loan from January 14, 2024, to January 14, 2026, by exercising two one-year extension options. Debt financing costs of \$300 were incurred for these extensions. Allied can extend this loan further through one-year extension options until January 14, 2031. Allied has a swap agreement until January 14, 2031, which has a current rate of 3.496%.

On April 22, 2022, Allied entered into an unsecured term loan with a financial institution for \$400,000 at a rate of prime plus 10 basis points or bankers' acceptance plus 110 basis points. Allied has a swap agreement to fix the rate at 4.865%.

CREDIT RATINGS

Allied's credit ratings as at March 31, 2024, are summarized below:

DEBT	RATING AGENCY	LONG-TERM CREDIT RATING	TREND/OUTLOOK
Issuer Rating & Unsecured Debentures	DBRS Limited	BBB	Stable

DBRS Limited (“DBRS”) provides issuer ratings and credit ratings of debt securities for commercial issuers that indicate the risk associated with a borrower’s capabilities to fulfill its obligations. The minimum DBRS investment grade rating is “BBB (low),” with the highest rating being “AAA.”

On August 16, 2023, DBRS confirmed Allied’s issuer rating and senior unsecured debentures ratings at BBB with a stable trend, following Allied’s announcement on the closing of the sale of its UDC Portfolio.

The above-mentioned ratings assigned to Allied and the Unsecured Debentures are not recommendations to buy, sell or hold any securities of Allied. Allied has paid customary rating fees to DBRS in connection with the above-mentioned ratings. There can be no assurance that any rating will remain in effect for any given period of time or that a rating will not be lowered, withdrawn or revised by the rating agency if in its judgment circumstances so warrant.

FINANCIAL COVENANTS

The Unsecured Facility, Unsecured Term Loans, construction loans payable and Unsecured Debentures contain numerous financial covenants. Failure to comply with the covenants could result in a default, which, if not waived or cured, could result in adverse financial consequences. Effective June 2023, the agreements governing the Unsecured Facility, Unsecured Term Loans, construction loans payable and Unsecured Debentures were amended to exclude the value of the Exchangeable LP Units recognized as a liability and the distribution on the Exchangeable LP Units recognized as an interest expense from the calculation of certain covenants. Effective December 2023, waivers were obtained related to the agreements governing the Unsecured Facility, construction loans payable and Unsecured Term Loans to exclude the special cash distribution and the special Unit distribution from the calculation of the distribution payout ratio. The related covenants are as follows:

UNSECURED FACILITY AND UNSECURED TERM LOANS

The following outlines the covenants as defined in the agreements governing the Unsecured Facility and Unsecured Term Loans. The covenants are calculated, as required in these agreements, on a proportionate basis as defined on page 16.

COVENANT ⁽¹⁾	THRESHOLD	MARCH 31, 2024	DECEMBER 31, 2023
Indebtedness ratio	Below 60%	35.9%	34.7%
Secured indebtedness ratio	Below 45%	4.2%	4.0%
Debt service coverage ratio	Consolidated adjusted EBITDA to be more than 1.5 times debt service payments	2.6x	2.5x
Equity maintenance	At least \$1,250,000 plus 75% of future equity issuances (\$2,819,658)	\$6,058,293	\$6,135,079
Unencumbered property assets value ratio	Unencumbered property assets to be more than 1.4 times total unsecured debt	2.6x	2.7x
Distribution payout ratio	Maintain distributions below 100% of FFO for eight consecutive quarters	74.4%	73.7%

(1) Includes results from continuing operations, discontinued operations and assets classified as held for sale.

The following outlines the covenants which are part of the update to the Unsecured Facility on January 26, 2024. The covenants are calculated, as required by this agreement, on a proportionate basis as defined on page 16.

COVENANT ⁽¹⁾	THRESHOLD	MARCH 31, 2024	DECEMBER 31, 2023
Equity maintenance	At least \$2,800,000 plus 75% of future equity issuances (\$2,800,000)	\$6,058,293	N/A
Restricted payment payout ratio	Maintain restricted payments below 100% of FFO for four consecutive quarters	75.7%	N/A

(1) Includes results from continuing operations, discontinued operations and assets classified as held for sale.

SENIOR UNSECURED DEBENTURES

The following outlines the requirements of covenants specified in the trust indenture with respect to the Unsecured Debentures. The covenants are calculated on a proportionate basis, which is in line with the trust indenture, as defined on page 16.

COVENANT	THRESHOLD	MARCH 31, 2024	DECEMBER 31, 2023
<i>Pro forma</i> interest coverage ratio	Maintain a 12-month rolling consolidated <i>pro forma</i> EBITDA of at least 1.65 times <i>pro forma</i> interest expense	2.5x	3.0x
<i>Pro forma</i> asset coverage test	Maintain net consolidated indebtedness below 65% of net aggregate assets on a <i>pro forma</i> basis	35.8%	34.8%
Equity maintenance ⁽¹⁾	Maintain Unitholders' equity above \$300,000	\$6,058,293	\$6,135,079
<i>Pro forma</i> unencumbered net aggregate adjusted asset ratio	Maintain <i>pro forma</i> unencumbered net aggregate adjusted assets above 1.4 times consolidated unsecured indebtedness	2.9x	3.0x

(1) Includes results from continuing operations, discontinued operations and assets classified as held for sale.

As at March 31, 2024, Allied was in compliance with the terms and covenants of the agreements governing the Unsecured Facility, the Unsecured Term Loans, the Unsecured Debentures and construction loans payable.

A number of other financial ratios are also monitored by Allied, such as net debt as a multiple of annualized adjusted EBITDA and interest coverage ratio - including interest capitalized. These ratios are presented in Section I—Overview.

EQUITY

UNITS (AUTHORIZED - UNLIMITED)

Each Unit represents a single vote at any meeting of holders of Units and Special Voting Units (as defined below) and entitles the holders of Units and Special Voting Units to receive a *pro rata* share of all distributions, in accordance with the conditions provided for in the Declaration of Trust.

The following represents the number of Units issued and outstanding, and the related carrying value of equity, for the three months ended March 31, 2024, and December 31, 2023.

	NUMBER ISSUED AND OUTSTANDING	AMOUNT
Balance at January 1, 2023	127,955,983	\$3,909,378
Restricted Unit Plan (net of forfeitures) (note 18(b))	—	(2,250)
Distribution in Units ⁽¹⁾	31,703,663	639,780
Consolidation of Units ⁽¹⁾	(31,703,663)	—
Balance at December 31, 2023	127,955,983	\$4,546,908
Restricted Unit Plan (net of forfeitures) (note 18(b))	—	(1,692)
Balance at March 31, 2024	127,955,983	\$4,545,216

(1) This represents the special Unit distribution. See Note 16 of the unaudited condensed consolidated financial statements for the three months ended March 31, 2024.

Allied does not hold any of its own Units, nor does Allied reserve any Units for issue under options and contracts.

As at April 30, 2024, 127,955,983 Units and 1,712,971 options to purchase Units were issued and outstanding. The weighted average number of Units and Exchangeable LP Units for the purpose of calculating basic and diluted income per unit is as follows:

	THREE MONTHS ENDED	
	MARCH 31, 2024	MARCH 31, 2023
Units	127,955,983	127,955,983
Exchangeable LP Units	11,809,145	11,809,145
Total units - basic and fully diluted	139,765,128	139,765,128

NORMAL COURSE ISSUER BID

On February 22, 2024, Allied received approval from the Toronto Stock Exchange (“TSX”) for the renewal of its normal course issuer bid (“NCIB”), which entitles Allied to purchase up to 12,629,698 of its outstanding Units, representing approximately 10% of its public float as at February 12, 2024. The NCIB commenced February 26, 2024, and will expire on February 25, 2025, or such earlier date as Allied completes its purchases pursuant to the NCIB. All purchases under the NCIB will be made on the open market through the facilities of the TSX or alternate trading systems in Canada at market prices prevailing at the time of purchase. Any Units that are repurchased will either be cancelled or delivered to participants under Allied’s Restricted Unit Plan or to employees pursuant to Allied’s employee programs.

During the three months ended March 31, 2024, Allied purchased 98,183 Units for \$1,692 at a weighted average price of \$17.23 for delivery to participants under Allied’s Restricted Unit Plan.

COMPENSATION PLANS

Allied adopted a unit option plan (the “Unit Option Plan”) providing for the issuance, from time to time, at the discretion of the Board, of options to purchase Units for cash. Participation in the Unit Option Plan is restricted to certain employees of Allied. The Unit Option Plan complies with the requirements of the TSX. The exercise price of any option granted will not be less than the closing market price of the Units on the day preceding the date of grant. The term of the options do not exceed ten years. Options granted prior to February 22, 2017, vest evenly over three years; options granted subsequently vest evenly over four years from the date of grant. All options are settled in Units. Effective December 2021, no further options will be granted under the Unit Option Plan.

At March 31, 2024, Allied had granted options to purchase up to 1,712,971 Units outstanding, of which 1,637,876 had vested. At December 31, 2023, Allied had granted options to purchase 1,712,971 Units outstanding, of which 1,437,023 had vested.

For the three months ended March 31, 2024, Allied recorded a unit-based compensation expense of \$58 (March 31, 2023 - \$151) in general and administrative expense in the unaudited condensed consolidated statements of loss and comprehensive loss related to the Unit Option Plan.

In March 2010, Allied adopted a restricted unit plan (the “Restricted Unit Plan”), whereby restricted Units (“Restricted Units”) are granted to certain key employees and trustees, at the discretion of the Board. The Restricted Units are purchased in the open market. Employees and trustees who are granted Restricted Units have the right to vote and to receive distributions from the date of the grant. Generally, the Restricted Units granted to employees vest as to one-third on each of the three anniversaries following the date of the grant. Restricted Units granted to non-management trustees are fully vested. Whether vested or not, without the specific authority of the Governance and Compensation Committee, the Restricted Units may not be sold, mortgaged or otherwise disposed of for a period of six years following the date of the grant, except that in the case of a non-management trustee, the release date will be automatically accelerated to the date such person ceases to hold office as a trustee of Allied. The Restricted Unit Plan contains provisions providing for the vesting or forfeiture of unvested Restricted Units within specified time periods in the event the employee’s employment is terminated, and authorizes the Chief Executive Officer, in their discretion, to accelerate the release date and vesting of Restricted Units in certain circumstances where an employee’s employment is terminated. At March 31, 2024, Allied had 310,435 Restricted Units outstanding (December 31, 2023 - 294,254).

For the three months ended March 31, 2024, Allied recorded a unit-based compensation expense of \$1,191, (March 31, 2023 - \$1,385) in general and administrative expense in the unaudited condensed consolidated statements of loss and comprehensive loss related to the Restricted Unit Plan.

In December 2021, Allied adopted a cash settled performance and restricted trust unit plan (the “PTU/RTU Plan”) whereby performance trust units and/or restricted trust units (together, “Plan Units”) are granted to certain employees at the discretion of the Board. Plan Units are subject to such vesting, settlement, performance criteria and adjustment factors as are established by the Board at the time of the grant and

accumulate distribution equivalents in the form of additional Plan Units. The PTU/RTU Plan contains provisions providing for the vesting or forfeiture of unvested Plan Units within specified time periods in the event the employee's employment is terminated, and authorizes the Chief Executive Officer, in their discretion, to amend the vesting and settlement of Plan Units in certain circumstances where an employee's employment is terminated. The following is a summary of the activity of Allied's PTU/RTU Plan:

	THREE MONTHS ENDED	YEAR ENDED
	MARCH 31, 2024	DECEMBER 31, 2023
Plan Units, beginning of period	371,277	179,193
Granted	252,773	170,461
Settled	(55,648)	(7,274)
Distributions equivalents	17,409	28,897
Plan Units, end of period	585,811	371,277

For the three months ended March 31, 2024, Allied recorded a unit-based compensation expense of \$1,188 (March 31, 2023 - \$371), including the mark-to-market adjustment, in general and administrative expense in the unaudited condensed consolidated statements of loss and comprehensive loss. During the three months ended March 31, 2024, 55,648 Plan Units vested (March 31, 2023 - 743 Plan Units vested) and 43,597 Plan Units were settled in cash resulting in a decrease of \$1,009 (March 31, 2023 - \$18) to the unit-based compensation liabilities. The remaining 12,051 vested Plan Units will be settled in cash in April 2024.

EXCHANGEABLE LP UNITS

EXCHANGEABLE LP UNITS (AUTHORIZED - UNLIMITED)

The Exchangeable LP Units issued by Allied Properties Exchangeable Limited Partnership (the "Partnership") are economically equivalent to Units, receive distributions equal to the distributions paid on the Units and are exchangeable, on a one-for-one basis, at the holder's option, for Units. All Exchangeable LP Units are held, directly or indirectly, by Choice Properties.

The 11,809,145 Exchangeable LP Units issued on March 31, 2022, in connection with the acquisition of six properties from Choice Properties contain lock-up and standstill restrictions. On each of June 30, 2023, September 30, 2023, and December 31, 2023, the lock-up expired on 2,952,286 Exchangeable LP Units and on March 31, 2024, the lock-up expired on 2,952,287 Exchangeable LP Units. Therefore, there are no Exchangeable LP Units with lock-up and standstill restrictions as at March 31, 2024.

Each Exchangeable LP Unit is accompanied by one special voting unit of Allied ("Special Voting Unit") which provides the holder thereof with the right to one vote at all meetings of holders of Units and Special Voting Units.

The following represents the number of Exchangeable LP Units issued and outstanding, and the related carrying value, for the three months ended March 31, 2024, and the year ended December 31, 2023.

	NUMBER ISSUED AND OUTSTANDING	AMOUNT
Balance at January 1, 2023	11,809,145	\$541,672
Distributions	—	(8,857)
Retained Earnings	—	4,997
Reclassification of Exchangeable LP Units	—	(270,807)
Fair value gain on Exchangeable LP Units	—	(28,696)
Balance at December 31, 2023	11,809,145	\$238,309
Fair value gain on Exchangeable LP Units	—	(29,641)
Balance at March 31, 2024	11,809,145	\$208,668

Prior to Allied's conversion to an open-end trust, the Exchangeable LP Units were presented within non-controlling interests in the unaudited condensed consolidated balance sheets. In addition, net income and other comprehensive income was attributable to unitholders and to non-controlling interests, with the latter equivalent to the amount allocated to the Partnership for income tax purposes. On Allied's conversion to an open-end trust on June 12, 2023, the Exchangeable LP Units were reclassified to financial liabilities in the unaudited condensed consolidated balance sheets as they can be exchanged for Units which are puttable instruments. Allied recognized in equity the difference between the carrying value of the equity instrument and the fair value of the financial liabilities at the date of reclassification. Subsequent to the conversion, at the end of each period, the Exchangeable LP Units are measured at fair value through profit or loss. The fair value of the Exchangeable LP Units is determined by using the quoted trading price of Units, as the Exchangeable LP Units are exchangeable into Units at the option of the holder.

DISTRIBUTIONS

Allied is focused on increasing distributions to its Unitholders on a regular and prudent basis. During the first 12 months of operations, Allied made regular monthly distributions of \$1.10 per unit on an annualized basis. The distribution increases since then are set out in the table below:

	MARCH 2004	MARCH 2005	MARCH 2006	MARCH 2007	MARCH 2008	DECEMBER 2012	DECEMBER 2013	DECEMBER 2014
Annualized increase per Unit	\$0.04	\$0.04	\$0.04	\$0.04	\$0.06	\$0.04	\$0.05	\$0.05
% increase	3.6%	3.5%	3.4%	3.3%	4.8%	3.0%	3.7%	3.5%
Annualized distribution per Unit	\$1.14	\$1.18	\$1.22	\$1.26	\$1.32	\$1.36	\$1.41	\$1.46

	DECEMBER 2015	DECEMBER 2016	DECEMBER 2017	DECEMBER 2018	JANUARY 2020	JANUARY 2021	JANUARY 2022	JANUARY 2023
Annualized increase per Unit	\$0.04	\$0.03	\$0.03	\$0.04	\$0.05	\$0.05	\$0.05	\$0.05
% increase	2.7%	2.0%	2.0%	2.6%	3.1%	3.0%	2.9%	2.9%
Annualized distribution per Unit	\$1.50	\$1.53	\$1.56	\$1.60	\$1.65	\$1.70	\$1.75	\$1.80

On each date that a distribution is declared by Allied on the Units, a distribution in an equal amount per unit is declared by the Partnership on the Exchangeable LP Units. A holder of Exchangeable LP Units may elect to defer receipt of all or a portion of distributions declared by the Partnership until the first business day following the end of the fiscal year. If the holder elects to defer, the Partnership will loan the holder an amount equal to the deferred distribution without interest, and the loan will be due and payable on the first business day following the end of the fiscal year during which the loan was advanced. The distributions declared by the Partnership on the Exchangeable LP Units from January 1, 2024, to March 31, 2024, was \$5,314, for which Choice Properties elected to receive a loan in lieu of all of the distributions. A note receivable of \$10,983 was outstanding from Choice properties as of March 31, 2024, of which \$5,314 was for cash advances made during the three months ended March 31, 2024 and \$5,669 was for the special cash distribution declared in December 2023 and paid in January 2024. Since there is a legally enforceable right and an intention by Allied and Choice Properties to settle the note receivable from Choice Properties and the distributions payable to Choice Properties on a net basis on the first business day following the end of the fiscal year, these financial instruments are offset on the balance sheet. On January 2, 2024, \$21,207 of the note receivable due from Choice Properties was settled on a net basis against the distributions payable to Choice Properties.

SOURCES OF DISTRIBUTIONS

For the three months ended March 31, 2024, Allied declared \$62,894 in distributions (March 31, 2023 - \$62,894), including distributions to holders of the Exchangeable LP Units of \$5,314 (March 31, 2023 - \$5,314).

	THREE MONTHS ENDED	
	MARCH 31, 2024	MARCH 31, 2023
Distributions declared	\$62,894	\$62,894
Net loss and comprehensive loss	\$(18,763)	\$(13,683)
Cash flows provided by operating activities	\$21,689	\$48,407
AFFO excluding condominium related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation ⁽¹⁾	\$75,054	\$74,482
AFFO excluding condominium related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation payout ratio ⁽¹⁾	83.8%	84.4%
Deficit of net loss over distributions declared	\$(81,657)	\$(76,577)
Deficit of cash flows provided by operating activities over distributions declared	\$(41,205)	\$(14,487)
Excess of cash provided by AFFO excluding condominium related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation over distributions declared	\$12,160	\$11,588

(1) This is a non-GAAP measure, as defined on page 16.

In determining the amount of distributions to be made, Allied's Board considers many factors, including provisions in its Declaration of Trust, macroeconomic and industry specific environments, the overall financial condition of Allied, future capital requirements, debt covenants, and taxable income. In accordance with Allied's distribution policy, Management and the Board regularly review Allied's rate of distributions to ensure an appropriate level of cash and non-cash distributions. Management anticipates that distributions declared will, in the foreseeable future, continue to vary from net income as net income includes fair value adjustments and other non-cash items. While cash flows from operating activities are generally sufficient to cover distribution requirements, timing of expenses and seasonal fluctuations in non-cash working capital may result in a shortfall. These seasonal or short-term fluctuations will be funded, if necessary, by the Unsecured Facility. As such, the cash distributions are not an economic return of capital, but a distribution of sustainable cash flow from operations. Based on current facts and assumptions, Management does not anticipate cash distributions will be reduced or suspended in the foreseeable future.

The rate of distribution as at March 31, 2024, amounts to \$1.80 per Unit per annum (December 31, 2023 - \$1.80 per Unit per annum excluding the special Unit distribution. See Note 16 of the unaudited condensed consolidated financial statements for the three months ended March 31, 2024).

COMMITMENTS

At March 31, 2024, Allied had future commitments, excluding the amount held within equity accounted investments and committed acquisitions, of \$140,524 (December 31, 2023 - \$168,071).

As at March 31, 2024, commitments of \$373 (December 31, 2023 - \$406) were held within equity accounted investments.

As at March 31, 2024, Allied committed to acquire a 90% ownership interest in 400 West Georgia Street in Vancouver and an incremental 45% ownership interest in Adelaide & Duncan in Toronto. As part of these acquisitions, Allied committed to converting its loan to Westbank on 400 West Georgia into equity positions in each of 400 West Georgia and Adelaide & Duncan, assuming related debt and making a cash payment to Westbank of approximately \$36,300. Both acquisitions closed on April 1, 2024. As at December 31, 2023, there were no committed acquisitions.

The above does not include Allied's lease liability commitments, which are disclosed in note 13 of the unaudited condensed consolidated financial statements for the three months ended March 31, 2024.

Section VII

–Accounting Estimates and Assumptions

MATERIAL ACCOUNTING POLICY INFORMATION

Accounting policies and any respective changes are discussed in Allied’s unaudited condensed consolidated financial statements for the three months ended March 31, 2024, and the notes contained therein.

Section VIII

–Disclosure Controls and Internal Controls

Management maintains appropriate information systems, procedures and controls to provide reasonable assurance that information that is publicly disclosed is complete, reliable and timely. The Chief Executive Officer (the “CEO”) and Chief Financial Officer (the “CFO”) of Allied, along with the assistance of senior Management under their supervision, have designed disclosure controls and procedures to provide reasonable assurance that material information relating to Allied is made known to the CEO and CFO, and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

No changes were made in the design of internal controls over financial reporting during the period ended March 31, 2024, that have materially affected, or are reasonably likely to materially affect, Allied’s internal controls over financial reporting.

It should be noted that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance of control issues, including whether instances of fraud, if any, have been detected. These inherent limitations include, among other items: (i) that Management’s assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; (ii) the impact of any undetected errors; and (iii) that controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by Management override.

Section IX

–Risks and Uncertainties

There are certain risk factors inherent in the investment and ownership of real estate. Real estate investments are capital intensive, and success from real estate investments depends upon maintaining occupancy levels and rental income flows to generate acceptable returns. These success factors are dependent on general economic conditions and local real estate markets, demand for leased premises and competition from other available properties.

Allied's portfolio is focused on a particular asset class in seven metropolitan real estate markets in Canada. This focus enables Management to capitalize on certain economies of scale and competitive advantages that would not otherwise be available.

For a detailed discussion of risk factors, refer to Allied's 2023 Annual Report, which can be found on Allied's website at www.alliedreit.com or SEDAR+ at www.sedarplus.ca, together with the updates to the risk factors discussed below.

OPERATING RISKS AND RISK MANAGEMENT

LEASE ROLL-OVER RISK

Allied is subject to lease roll-over risk. Lease roll-over risk arises from the possibility that Allied may experience difficulty renewing or replacing users occupying space covered by leases that mature. Allied strives to stagger its lease maturity schedule so that it is not faced with a disproportionately large level of lease maturities in a given year. For Allied's current lease maturity schedule, refer to page 43.

In evaluating lease roll-over risk, it is informative to determine Allied's sensitivity to a decline in occupancy. As at March 31, 2024, Allied had total GLA in the rental portfolio of 14,636,115 square feet, of which 87.0% is leased. The weighted average annual rental revenue is approximately \$45.77 per square foot, therefore for every full-year decline of 100 basis points in occupancy, Allied's annual rental revenue would decline by approximately \$5,825. The decline in rental revenue would be more pronounced if the decline in occupancy involved space leased above the average rental rate per square foot and less pronounced if the decline in occupancy involved space leased below the average rental rate per square foot.

FINANCIAL RISKS AND RISK MANAGEMENT

FINANCING AND INTEREST RATE RISK; ACCESS TO CAPITAL

Allied is subject to risk associated with debt financing. Allied's financing may include indebtedness with interest rates based on variable lending rates that will result in fluctuations in Allied's cost of borrowing. The availability of debt to re-finance existing and maturing loans and the cost of servicing such debt will influence Allied's success. In order to minimize risk associated with debt financing, Allied strives to re-finance maturing loans with long-term fixed-rate debt and to stagger the maturities over time. For Allied's current debt-maturity schedule, refer to page 63.

Interest rates on debt for mortgages payable, Unsecured Debentures and Unsecured Term Loans are between 1.73% and 4.87% with a weighted average contractual interest rate of 3.17%. The weighted average term of our debt (excluding construction loans and the Unsecured Facility) is 3.8 years. Refer to note 12(b) and (d) of the unaudited condensed consolidated financial statements for further details.

Allied is additionally subject to risk associated with equity financing. The ability to access the equity capital markets at appropriate points in time and at an acceptable cost will influence Allied's success. In order to minimize the risk associated with equity financing, Allied engages in extensive investor relations activity with retail and institutional investors globally and strives to fix the cost of equity in conjunction with a clear use of proceeds.

The real estate industry is highly capital intensive. Allied will require access to capital to maintain its properties, to complete development and intensification projects, as well as to fund its growth strategy and significant capital expenditures from time to time. There is no assurance that capital will be available when needed or on favourable terms. Allied's access to capital and cost of capital will be subject to a number of factors, including general market conditions; the market's perception of Allied's growth potential; Allied's current and expected future earnings; Allied's cash flow and cash distributions; and the market price of Allied's Units. If Allied is unable to obtain sources of capital, it may not be able to acquire or develop assets, or pursue the development or intensification of properties when strategic opportunities arise.

CREDIT RISK

Allied is subject to credit risk arising from the possibility that users may not be able to fulfill their lease obligations. Allied strives to mitigate this risk by maintaining a diversified user-mix and limiting exposure to any single user. Allied's exposure to its top-10 users is 20.1% of rental revenue.

As Allied has provided loans and advances to facilitate property development, further credit risks arise in the event that borrowers default on the repayment of the amounts owed to Allied. Allied's loans and advances will typically be subordinate to prior ranking mortgage or charges. As at March 31, 2024, Allied had \$540,570 in loans receivable, the majority of which is loaned to affiliates of a single private company. In the event of a large commercial real estate market correction, the fair market value of an underlying property may be unable to support the loan value. Allied mitigates this risk by obtaining corporate guarantees and/or registered mortgage charges and assignment of leases, performing credit checks on potential borrowers, monitoring the financial and operating performance of borrowers, construction and leasing status on the development projects, timing of rent commencement on leases, and status of scheduled principal and interest payments.

MORTGAGE PAYMENTS

Approximately 77.7% of the principal amount of the mortgages have terms of five years or less. Variations in interest rates and principal repayments required under the mortgages and Allied's Unsecured Facility, on renewal or otherwise, could result in significant changes in the amount required to be applied to debt service and, as a result, reduce the amount of cash available for distribution to Unitholders. Certain covenants in the mortgages and credit facilities may also limit payments by Allied to its Unitholders. If Allied becomes unable to pay its debt service charges or otherwise commits an event of default, the rights of its lenders will rank senior to any rights of Unitholders.

Section X

–Property Table

MARCH 31, 2024 PROPERTIES	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased	Total Leased	Leased %
28 Atlantic	10,065	—	10,065		—	10,065	100.0%
32 Atlantic	50,434	—	50,434		—	50,434	100.0%
47 Jefferson	6,884	—	6,884		—	6,884	100.0%
64 Jefferson	78,820	—	78,820		—	78,820	100.0%
College & Manning - 547-549 College	—	2,708	2,708		—	2,708	100.0%
College & Manning - 559-563 College ⁽¹⁾	24,627	2,634	27,261		3,202	24,059	88.3%
College & Palmerston - 491 College ⁽¹⁾	8,863	3,717	12,580		—	12,580	100.0%
The Castle - 135 Liberty	55,526	—	55,526		22,339	33,187	59.8%
The Castle - 41 Fraser	14,857	—	14,857		—	14,857	100.0%
The Castle - 47 Fraser	7,468	3,480	10,948		—	10,948	100.0%
The Castle - 49 Fraser	17,472	—	17,472		3,493	13,979	80.0%
The Castle - 53 Fraser	78,797	—	78,797		48,740	30,057	38.1%
The Castle - 8 Pardee	—	2,681	2,681		—	2,681	100.0%
The Well - 8 Spadina ⁽¹⁾⁽⁶⁾	403,907	5,935	409,842		—	409,842	100.0%
The Well - 452 Front W ⁽¹⁾	64,245	—	64,245		—	64,245	100.0%
The Well - 460 Front W ⁽¹⁾⁽⁶⁾	31,003	—	31,003		—	31,003	100.0%
The Well - 482 Front W ⁽¹⁾	44,954	—	44,954		—	44,954	100.0%
The Well - 486 Front W ⁽¹⁾⁽⁶⁾	—	99,140	99,140		488	98,652	99.5%
King West	897,922	120,295	1,018,217	7.0%	78,262	939,955	92.3%
12 Brant	—	11,936	11,936		—	11,936	100.0%
141 Bathurst	10,101	—	10,101		3,483	6,618	65.5%
183 Bathurst	24,136	5,643	29,779		17,202	12,577	42.2%
241 Spadina	24,827	6,046	30,873		—	30,873	100.0%
379 Adelaide W	36,923	3,045	39,968		14,884	25,084	62.8%
383 Adelaide W	4,515	—	4,515		—	4,515	100.0%
387 Adelaide W	6,500	—	6,500		—	6,500	100.0%
420 Wellington W	31,339	3,163	34,502		—	34,502	100.0%
425 Adelaide W	70,846	3,809	74,655		6,904	67,751	90.8%
425-439 King W	66,486	23,497	89,983		6,599	83,384	92.7%
432 Wellington W	—	8,997	8,997		—	8,997	100.0%
441-443 King W	6,377	2,904	9,281		3,156	6,125	66.0%
445-455 King W	31,523	16,304	47,827		4,729	43,098	90.1%
460 King W	10,144	4,285	14,429		5,523	8,906	61.7%
461 King W	38,716	35,833	74,549		—	74,549	100.0%
468 King W	63,121	—	63,121		63,121	—	—%

MARCH 31, 2024 PROPERTIES	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased	Total Leased	Leased %
469 King W ⁽⁶⁾	42,659	12,273	54,932		14,431	40,501	73.7%
478 King W	—	8,701	8,701		—	8,701	100.0%
485 King W	12,339	—	12,339		—	12,339	100.0%
500 King W	44,130	21,598	65,728		15,326	50,402	76.7%
522 King W	28,850	21,863	50,713		14,401	36,312	71.6%
540 King W	—	5,935	5,935		—	5,935	100.0%
544 King W	16,340	—	16,340		—	16,340	100.0%
552-560 King W	6,784	17,395	24,179		—	24,179	100.0%
555 Richmond W	296,051	1,850	297,901		49,379	248,522	83.4%
579 Richmond W	26,818	—	26,818		—	26,818	100.0%
64 Spadina	—	5,297	5,297		—	5,297	100.0%
80-82 Spadina	60,048	16,009	76,057		—	76,057	100.0%
96 Spadina	77,223	8,240	85,463		6,000	79,463	93.0%
King Portland Centre - 602-606 King W ⁽¹⁾	19,208	6,364	25,572		—	25,572	100.0%
King Portland Centre - 620 King W ⁽¹⁾	127,658	9,170	136,828		—	136,828	100.0%
King Portland Centre - 642 King W ⁽¹⁾	7,370	5,365	12,735		7,007	5,728	45.0%
King West Central	1,191,032	265,522	1,456,554	10.0%	232,145	1,224,409	84.1%
116 Simcoe	15,495	—	15,495		—	15,495	100.0%
117 & 119 John	—	7,562	7,562		—	7,562	100.0%
Adelaide & Duncan - 19 Duncan ⁽⁵⁾⁽⁶⁾	74,615	1,785	76,400		1,326	75,074	98.3%
121 John	2,591	855	3,446		—	3,446	100.0%
125 John	2,171	798	2,969		—	2,969	100.0%
179 John	70,897	—	70,897		1,838	69,059	97.4%
180 John	45,631	—	45,631		—	45,631	100.0%
200 Adelaide W	26,614	—	26,614		—	26,614	100.0%
208-210 Adelaide W	11,477	—	11,477		7,881	3,596	31.3%
217 Richmond W	31,200	21,670	52,870		5,596	47,274	89.4%
257 Adelaide W	42,763	—	42,763		23,161	19,602	45.8%
312 Adelaide W	66,777	1,227	68,004		23,525	44,479	65.4%
331-333 Adelaide W	19,048	3,725	22,773		—	22,773	100.0%
358-360 Adelaide W	50,786	—	50,786		28,911	21,875	43.1%
388 King W	20,275	19,040	39,315		18,227	21,088	53.6%
82 Peter	40,069	6,846	46,915		16,024	30,891	65.8%
99 Spadina	51,140	—	51,140		10,689	40,451	79.1%
QRC West - 134 Peter, Phase I	298,782	8,213	306,995		14,749	292,246	95.2%

MARCH 31, 2024 PROPERTIES	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased	Total Leased	Leased %
QRC West - 364 Richmond W, Phase I	38,279	—	38,279		6,864	31,415	82.1%
Union Centre	41,787	—	41,787		4,952	36,835	88.1%
Entertainment District	950,397	71,721	1,022,118	7.0%	163,743	858,375	84.0%
110 Yonge ⁽²⁾	78,298	2,376	80,674		10,580	70,094	86.9%
175 Bloor E ⁽³⁾	295,929	9,177	305,106		49,259	255,847	83.9%
193 Yonge	34,349	16,898	51,247		—	51,247	100.0%
525 University	199,115	9,392	208,507		17,988	190,519	91.4%
Downtown	607,691	37,843	645,534	4.4%	77,827	567,707	87.9%
106 Front E	24,113	10,554	34,667		3,397	31,270	90.2%
184 Front E	84,116	4,829	88,945		26,734	62,211	69.9%
35-39 Front E	34,818	13,822	48,640		—	48,640	100.0%
36-40 Wellington E	15,494	5,938	21,432		—	21,432	100.0%
41-45 Front E	20,353	14,239	34,592		—	34,592	100.0%
45-55 Colborne	30,621	13,288	43,909		3,832	40,077	91.3%
47 Front E	7,651	4,337	11,988		—	11,988	100.0%
49 Front E	9,482	10,435	19,917		—	19,917	100.0%
50 Wellington E	22,112	12,454	34,566		3,424	31,142	90.1%
54 Esplanade	—	9,038	9,038		—	9,038	100.0%
56 Esplanade	59,270	22,137	81,407		27,684	53,723	66.0%
60 Adelaide E	106,438	4,608	111,046		4,704	106,342	95.8%
65 Front E	14,469	5,922	20,391		14,564	5,827	28.6%
70 Esplanade	19,590	6,109	25,699		—	25,699	100.0%
St. Lawrence Market	448,527	137,710	586,237	4.0%	84,339	501,898	85.6%
135-137 George	2,399	—	2,399		—	2,399	100.0%
133 George	1,617	—	1,617		—	1,617	100.0%
139-141 George	2,190	—	2,190		1,014	1,176	53.7%
204-214 King E	115,086	13,837	128,923		20,012	108,911	84.5%
230 Richmond E	73,542	—	73,542		—	73,542	100.0%
252-264 Adelaide E	44,537	2,582	47,119		10,844	36,275	77.0%
489 Queen E	31,737	—	31,737		8,308	23,429	73.8%
70 Richmond E	34,469	—	34,469		17,011	17,458	50.6%
Dominion Square - 468 Queen N	30,383	3,523	33,906		7,992	25,914	76.4%
Dominion Square - 468 Queen S	34,313	9,091	43,404		1,358	42,046	96.9%
Dominion Square - 478-496 Queen	6,552	33,526	40,078		3,040	37,038	92.4%

MARCH 31, 2024 PROPERTIES	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased	Total Leased	Leased %
QRC East - 111 Queen E	190,953	20,732	211,685		6,165	205,520	97.1%
Queen Richmond	567,778	83,291	651,069	4.4%	75,744	575,325	88.4%
Toronto	4,663,347	716,382	5,379,729	36.8%	712,060	4,667,669	86.8%
195 Joseph	26,462	—	26,462		—	26,462	100.0%
20 Breithaupt ⁽⁴⁾	147,029	—	147,029		—	147,029	100.0%
25 Breithaupt ⁽⁴⁾	46,845	—	46,845		—	46,845	100.0%
51 Breithaupt ⁽⁴⁾	66,355	—	66,355		2,598	63,757	96.1%
72 Victoria	90,024	—	90,024		15,451	74,573	82.8%
The Tannery - 151 Charles W Kitchener	306,564 683,279	25,810 25,810	332,374 709,089	4.8%	152,757 170,806	179,617 538,283	54.0% 75.9%
Toronto & Kitchener	5,346,626	742,192	6,088,818	41.6%	882,866	5,205,952	85.5%
The Chambers - 40 Elgin	195,994	5,466	201,460		2,102	199,358	99.0%
The Chambers - 46 Elgin	28,055	1,756	29,811		—	29,811	100.0%
Ottawa	224,049	7,222	231,271	1.6%	2,102	229,169	99.1%
1001 Boulevard Robert- Bourassa ⁽⁶⁾	681,265	9,742	691,007		—	691,007	100.0%
1010 Sherbrooke W	327,079	1,600	328,679		26,037	302,642	92.1%
3510 Saint-Laurent	85,644	15,022	100,666		8,806	91,860	91.3%
3530-3540 Saint-Laurent	52,321	4,008	56,329		4,780	51,549	91.5%
425 Viger	307,201	9,146	316,347		—	316,347	100.0%
4396-4410 Saint-Laurent	41,374	14,147	55,521		838	54,683	98.5%
4446 Saint-Laurent	72,855	7,251	80,106		10,591	69,515	86.8%
451-481 Saint-Catherine W	21,044	9,983	31,027		8,823	22,204	71.6%
5445 de Gaspé	483,699	896	484,595		48,561	436,034	90.0%
5455 de Gaspé	466,769	22,562	489,331		24,008	465,323	95.1%
5505 Saint-Laurent	243,788	2,221	246,009		2,221	243,788	99.1%
6300 Parc	184,510	3,933	188,443		17,656	170,787	90.6%
645 Wellington	128,690	7,421	136,111		10,805	125,306	92.1%
700 Saint Antoine	107,320	17,685	125,005		4,580	120,425	96.3%
700 Saint-Hubert ⁽⁶⁾	99,943	—	99,943		—	99,943	100.0%
740 Saint-Maurice	68,703	—	68,703		—	68,703	100.0%
747 Square-Victoria	532,481	37,752	570,233		55,690	514,543	90.2%
Cité Multimédia - 111 Boulevard Robert- Bourassa	359,039	12,571	371,610		183,984	187,626	50.5%

MARCH 31, 2024 PROPERTIES	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased	Total Leased	Leased %
Cité Multimédia - 50 Queen	26,995	—	26,995		—	26,995	100.0%
Cité Multimédia - 700 Wellington	135,232	—	135,232		20,912	114,320	84.5%
Cité Multimédia - 75 Queen	253,311	2,513	255,824		75,008	180,816	70.7%
Cité Multimédia - 80 Queen	69,247	—	69,247		—	69,247	100.0%
Cité Multimédia - 87 Prince	99,089	1,040	100,129		3,254	96,875	96.8%
El Pro Lofts - 644 Courcelle	145,018	8,935	153,953		52,670	101,283	65.8%
Le Nordelec - 1301-1303 Montmorency	7,550	—	7,550		—	7,550	100.0%
Le Nordelec - 1655 Richardson	32,893	—	32,893		—	32,893	100.0%
Le Nordelec - 1751 Richardson	788,583	38,817	827,400		97,909	729,491	88.2%
RCA Building - 1001 Lenoir ⁽⁶⁾	115,166	1,519	116,685		—	116,685	100.0%
Montréal	5,936,809	228,764	6,165,573	42.1%	657,133	5,508,440	89.3%
Montréal & Ottawa	6,160,858	235,986	6,396,844	43.7%	659,235	5,737,609	89.7%
613 11th SW	—	4,288	4,288		—	4,288	100.0%
617 11th SW	3,230	6,306	9,536		736	8,800	92.3%
Alberta Block - 805 1st SW	9,094	22,038	31,132		3,900	27,232	87.5%
Alberta Hotel - 808 1st SW	28,036	20,424	48,460		2,326	46,134	95.2%
Atrium on Eleventh - 625 11th SE	34,519	1,373	35,892		9,205	26,687	74.4%
Biscuit Block - 438 11th SE	51,298	—	51,298		—	51,298	100.0%
Burns Building - 237 8th SE	67,187	7,423	74,610		23,697	50,913	68.2%
Cooper Block - 809 10th SW	35,256	—	35,256		21,058	14,198	40.3%
Customs House - 134 11th SE	77,097	—	77,097		—	77,097	100.0%
Demcor Condo - 221 10th SE	14,253	—	14,253		7,021	7,232	50.7%
Demcor Tower - 239 10th SE	25,280	—	25,280		2,938	22,342	88.4%
Five Roses Building - 731-739 10th SW	—	20,808	20,808		—	20,808	100.0%
Glenbow - 802 11th SW	—	7,319	7,319		—	7,319	100.0%
Glenbow - 822 11th SW	14,037	3,501	17,538		4,743	12,795	73.0%
Glenbow Annex - 816 11th SW	—	9,021	9,021		—	9,021	100.0%
Glenbow Cornerblock - 838 11th SW	10,998	11,212	22,210		1,146	21,064	94.8%
Glenbow Ellison - 812 11th SW	13,344	—	13,344		—	13,344	100.0%
Leeson Lineham Building - 209 8th SW	27,821	5,420	33,241		5,411	27,830	83.7%
LocalMotive - 1240 20th SE	57,536	—	57,536		—	57,536	100.0%

MARCH 31, 2024 PROPERTIES	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased	Total Leased	Leased %
Odd Fellows - 100 6th SW	33,474	—	33,474		33,474	—	—%
Pilkington Building - 402 11th SE	40,018	—	40,018		—	40,018	100.0%
Roberts Block - 603-605 11th SW	23,623	27,499	51,122		11,922	39,200	76.7%
Sherwin Block - 738 11th SW	18,319	8,176	26,495		5,137	21,358	80.6%
Telephone Building - 119 6th SW	63,064	—	63,064		34,266	28,798	45.7%
Theatre Grand - 608 1st Street SW	—	34,100	34,100		—	34,100	100.0%
The Lougheed Building - 604 1st Street SW	83,783	—	83,783		78,401	5,382	6.4%
Vintage Towers - 322-326 11th SW	188,696	23,717	212,413		5,062	207,351	97.6%
Woodstone Building - 1207-1215 13th SE	32,428	—	32,428		—	32,428	100.0%
Young Block - 129 8th SW	4,841	2,164	7,005		2,414	4,591	65.5%
Calgary	957,232	214,789	1,172,021	8.0%	252,857	919,164	78.4%
1040 Hamilton	36,278	9,162	45,440		1,215	44,225	97.3%
1050 Homer	38,302	4,797	43,099		—	43,099	100.0%
1185 West Georgia	161,556	4,869	166,425		41,782	124,643	74.9%
1220 Homer	21,708	—	21,708		—	21,708	100.0%
1286 Homer	25,613	—	25,613		—	25,613	100.0%
1508 West Broadway	81,809	64,271	146,080		2,376	143,704	98.4%
151-155 West Hastings	38,512	—	38,512		—	38,512	100.0%
2233 Columbia	21,591	6,852	28,443		—	28,443	100.0%
375 Water	149,986	27,015	177,001		31,104	145,897	82.4%
840 Cambie	89,377	—	89,377		—	89,377	100.0%
948-950 Homer	23,245	21,758	45,003		11,673	33,330	74.1%
Dominion Building - 207 West Hastings	60,964	12,646	73,610		2,650	70,960	96.4%
Sun Tower - 128 West Pender	76,428	1,693	78,121		22,313	55,808	71.4%
Vancouver	825,369	153,063	978,432	6.7%	113,113	865,319	88.4%
Total Rental Portfolio	13,290,085	1,346,030	14,636,115	100.0%	1,908,071	12,728,044	87.0%

Note that the table above does not include ancillary residential properties, which total 13, and are included in the property count. The table above also excludes properties under development and investment properties held for sale.

(1) RioCan/Allied Joint Arrangement

(2) Sutter Hill/Allied Joint Arrangement

(3) OPTrust/Allied Joint Arrangement

(4) Perimeter/Allied Joint Arrangement

(5) Westbank/Allied Joint Arrangement

(6) A portion of the property is under development. Only the portion of GLA that is in the rental portfolio is included in the property table.

RENTAL RESIDENTIAL UNITS

PROPERTY	OCCUPANCY AT MARCH 31, 2024	OCCUPANCY AT DECEMBER 31, 2023
TELUS Sky	83.5%	79.8%
College & Manning	93.4%	94.7%

PROPERTIES UNDER DEVELOPMENT	ESTIMATED GLA ON COMPLETION (SF)
The Well, Toronto ⁽¹⁾⁽²⁾⁽³⁾	763,000
400 Atlantic, Montréal	87,473
Boardwalk-Revillon Building, Edmonton ⁽⁴⁾	297,851
185 Spadina, Toronto	55,213
342 Water, Vancouver	21,640
Adelaide & Duncan, Toronto ⁽¹⁾⁽³⁾⁽⁵⁾	220,400
1001 Boulevard Robert-Bourassa, Montréal ⁽³⁾	298,342
RCA Building, Montréal ⁽³⁾	227,935
422-424 Wellington W, Toronto	10,000
QRC West Phase II, Toronto ⁽⁶⁾	93,134
KING Toronto, Toronto ⁽¹⁾⁽⁷⁾	100,000
108 East 5th Avenue, Vancouver ⁽¹⁾	102,000
700 Saint Hubert, Montréal ⁽³⁾	143,849
3575 Saint-Laurent, Montréal	184,779
365 Railway, Vancouver	60,000
Kipling Square, Calgary	48,502
469 King St W, Toronto ⁽³⁾	18,485
Total Development Portfolio	2,732,603

(1) These properties are co-owned, reflected in the table above at Allied's ownership interest.

(2) Each of Allied and RioCan own an undivided 50% interest in The Well. The GLA components (in square feet) at Allied's 50% share will be as follows: approximately 584,000 of office, 160,000 of retail, 19,000 of storage and the residential air rights.

(3) A portion of the property is under development. The GLA represents the portion under development. The exceptions are The Well, 700 Saint Hubert and Adelaide & Duncan, which are ground-up developments, so the GLA includes the portion under development and in the rental portfolio.

(4) The GLA components (in square feet) are as follows: 233,559 of office and 64,292 of retail.

(5) The GLA components (in square feet) at our 50% share are as follows: 144,000 of residential, 76,400 of commercial.

(6) The GLA components (in square feet) are as follows: 77,434 of office and 15,700 of retail.

(7) Allied entered into a joint arrangement with Westbank to develop KING Toronto. As part of the arrangement, Allied sold a 50% undivided interest to Westbank. KING Toronto is comprised of the following properties: 489 King W, 495 King W, 499 King W, 511-529 King W, 533 King W, and 539 King W. The GLA components (in square feet) at our 50% share will be as follows: 60,000 of retail and 40,000 of office.

ANCILLARY PARKING FACILITIES

NUMBER OF SPACES

ANCILLARY PARKING FACILITIES	NUMBER OF SPACES
305 Joseph, Kitchener ⁽¹⁾	354
15 Brant, Toronto	208
78 Spadina, Toronto	39
7-9 Morrison, Toronto	25
105 George, Toronto	15
301 Markham, Toronto	47
388 Richmond, Toronto	121
464 King, Toronto	12
478 King, Toronto	131
560 King, Toronto	171
650 King, Toronto	71
Total Parking	1,194

(1) Perimeter/Allied Joint Arrangement. Reflected in the table above at Allied's 50% ownership interest.

Unaudited Condensed
Consolidated Financial Statements
For the Three Months Ended
March 31, 2024 and 2023

**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT MARCH 31, 2024 AND DECEMBER 31, 2023**

(in thousands of Canadian dollars)	NOTES	MARCH 31, 2024	DECEMBER 31, 2023
Assets			
Non-current assets			
Investment properties	5	\$9,303,305	\$9,387,032
Residential inventory	7	223,097	209,783
Investment in joint venture	8	8,559	8,866
Loans and notes receivable	9	345,311	321,371
Other assets	10	54,816	48,528
		\$9,935,088	\$9,975,580
Current assets			
Cash and cash equivalents	21	12,991	211,069
Loan receivable from joint venture	8	93,291	93,291
Loans and notes receivable	9	195,308	188,382
Accounts receivable, prepaid expenses and deposits	11	161,219	140,963
Investment properties held for sale	5	77,500	—
		\$540,309	\$633,705
Total assets		\$10,475,397	\$10,609,285
Liabilities			
Non-current liabilities			
Debt	12	\$3,507,339	\$3,510,366
Lease liabilities	13	50,848	50,639
Other liabilities	14	48,994	48,784
		\$3,607,181	\$3,609,789
Current liabilities			
Exchangeable LP Units	17	208,668	238,309
Debt	12	211,833	149,245
Accounts payable and other liabilities	14	389,422	476,863
		\$809,923	\$864,417
Total liabilities		\$4,417,104	\$4,474,206
Equity			
Unitholders' equity	16	\$6,058,293	\$6,135,079
Non-controlling interests	16	—	—
Total equity		\$6,058,293	\$6,135,079
Total liabilities and equity		\$10,475,397	\$10,609,285

Commitments and Contingencies (note 27)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.



Michael R. Emory
Trustee



Stephen L. Sender
Trustee

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(in thousands of Canadian dollars)	NOTES	THREE MONTHS ENDED	
		MARCH 31, 2024	MARCH 31, 2023
Rental revenue	19, 23	\$143,577	\$138,490
Property operating costs	23	(65,106)	(61,325)
Operating income		\$78,471	\$77,165
Interest income		14,759	9,744
Interest expense	12 (f)	(23,431)	(22,564)
General and administrative expenses	20, 26 (c)	(6,498)	(6,170)
Condominium marketing expenses		(35)	(120)
Amortization of other assets	10	(378)	(370)
Net income (loss) from joint venture	8	752	(3,006)
Fair value loss on investment properties and investment properties held for sale	5, 6	(119,192)	(78,357)
Fair value gain on Exchangeable LP Units	17, 26 (c)	29,641	—
Fair value gain (loss) on derivative instruments	26 (e)	7,148	(8,024)
Net loss and comprehensive loss from continuing operations		\$(18,763)	\$(31,702)
Net income and comprehensive income from discontinued operations	6	\$—	\$18,019
Net loss and comprehensive loss		\$(18,763)	\$(13,683)
Net loss and comprehensive loss attributable to:			
Unitholders' equity		\$(18,763)	\$(16,447)
Non-controlling interests		—	2,764
		\$(18,763)	\$(13,683)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(in thousands of Canadian dollars)	NOTES	ATTRIBUTABLE TO UNITHOLDERS			ATTRIBUTABLE TO NON-CONTROLLING INTERESTS				TOTAL EQUITY
		UNITS	RETAINED EARNINGS	CONTRIBUTED SURPLUS	UNIT-HOLDERS' EQUITY	EXCHANGE-ABLE LP UNITS	RETAINED EARNINGS	EXCHANGE-ABLE LP UNITS' EQUITY	
Balance at January 1, 2023	16	\$3,909,378	\$2,636,944	\$34,844	\$6,581,166	\$550,660	\$(8,988)	\$541,672	\$7,122,838
Net loss and comprehensive loss		—	(16,447)	—	(16,447)	—	2,764	2,764	(13,683)
Distributions	16	—	(57,580)	—	(57,580)	—	(5,314)	(5,314)	(62,894)
Contributed surplus – Unit Option Plan	18 (a)	—	—	151	151	—	—	—	151
Restricted Unit Plan (net of forfeitures)	16, 18 (b)	(2,147)	—	1,385	(762)	—	—	—	(762)
Balance at March 31, 2023		\$3,907,231	\$2,562,917	\$36,380	\$6,506,528	\$550,660	\$(11,538)	\$539,122	\$7,045,650

	NOTES	ATTRIBUTABLE TO UNITHOLDERS			ATTRIBUTABLE TO NON-CONTROLLING INTERESTS				TOTAL EQUITY
		UNITS	RETAINED EARNINGS	CONTRIBUTED SURPLUS	UNIT-HOLDERS' EQUITY	EX-CHANGE-ABLE LP UNITS	RETAINED EARNINGS (DEFICIT)	EXCHANGE-ABLE LP UNITS' EQUITY	
Balance at January 1, 2024	16	\$4,546,908	\$1,550,518	\$37,653	\$6,135,079	\$—	\$—	\$—	\$6,135,079
Net loss and comprehensive loss		—	(18,763)	—	(18,763)	—	—	—	(18,763)
Distributions	16	—	(57,580)	—	(57,580)	—	—	—	(57,580)
Contributed surplus – Unit Option Plan	18 (a)	—	—	58	58	—	—	—	58
Restricted Unit Plan (net of forfeitures)	16, 18 (b)	(1,692)	—	1,191	(501)	—	—	—	(501)
Balance at March 31, 2024		\$4,545,216	\$1,474,175	\$38,902	\$6,058,293	\$—	\$—	\$—	\$6,058,293

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(in thousands of Canadian dollars)	NOTES	THREE MONTHS ENDED	
		MARCH 31, 2024	MARCH 31, 2023
Operating activities			
Net loss for the period		\$(18,763)	\$(13,683)
Fair value loss on investment properties and investment properties held for sale	5	119,192	71,768
Fair value gain on Exchangeable LP Units	17, 26 (c)	(29,641)	—
Fair value (gain) loss on derivative instruments	26 (e)	(7,148)	8,024
Interest expense (excluding the impact of capitalization)	12 (f)	23,431	24,335
Interest paid (excluding the impact of capitalization)	5, 7, 13, 17, 21	(33,937)	(28,891)
Interest income		(14,759)	(9,744)
Interest received		10,893	7,274
Net (income) loss from joint venture	8	(752)	3,006
Amortization of other assets	10	378	370
Amortization of improvement allowances	5	9,393	8,185
Amortization of straight-line rent	5	(1,453)	(1,993)
Amortization of discount on debt	12 (f)	(87)	985
Amortization of lease liabilities	5, 13	219	347
Amortization of net financing costs	12 (f)	731	677
Unit-based compensation expense	18, 26 (c)	2,437	1,889
Settlement of unit-based compensation liabilities	18 (c)	(1,009)	—
Additions to residential inventory	7	(13,314)	(11,706)
Change in other non-cash operating items	9, 11, 14, 21	(24,122)	(12,436)
Cash provided by operating activities		\$21,689	\$48,407
Financing activities			
Repayment of mortgages payable	12 (a)	(806)	(13,034)
Principal payments of lease liabilities	13	(9)	(9)
Distributions paid on Units	16	(118,999)	(57,043)
Restricted Unit Plan (net of forfeitures)	16, 18 (b)	(1,692)	(2,147)
Proceeds from Unsecured Revolving Operating Facility	12 (c)	51,095	130,000
Repayments of Unsecured Revolving Operating Facility	12 (c)	—	(10,000)
Proceeds from construction loan	12 (b)	9,490	21,514
Financing costs	12 (a), 12 (d), 12 (e)	(862)	(408)
Cash (used in) provided by financing activities		\$(61,783)	\$68,873

(in thousands of Canadian dollars)	NOTES	THREE MONTHS ENDED	
		MARCH 31, 2024	MARCH 31, 2023
Investing activities			
Additions to investment properties (including capitalized interest)	5, 12 (g)	(96,153)	(86,742)
Net distributions from equity accounted investments	8	1,059	728
Loans receivable issued to third-parties	9 (a), 21	(27,644)	(13,916)
Proceeds from notes receivable	9 (b)	7	6
Advances on note receivable from holder of Exchangeable LP Units	12 (g), 17	(10,983)	(5,265)
Additions to equipment and other assets	10	(245)	(213)
Leasing commissions	5	(4,913)	(3,282)
Improvement allowances	5	(19,112)	(16,277)
Cash used in investing activities		\$(157,984)	\$(124,961)
Decrease in cash and cash equivalents		(198,078)	(7,681)
Cash and cash equivalents, beginning of period		211,069	20,990
Cash and cash equivalents, end of period		\$12,991	\$13,309

Note 21 contains supplemental cash flow information.

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**

(in thousands of Canadian dollars, except per unit and unit amounts)

1. NATURE OF OPERATIONS

Allied Properties Real Estate Investment Trust (“Allied”) is a Canadian unincorporated open-end real estate investment trust created pursuant to the Declaration of Trust dated October 25, 2002, as most recently amended June 12, 2023. Allied is governed by the laws of the Province of Ontario and began operations on February 19, 2003. The units of Allied (“Units”) are traded on the Toronto Stock Exchange (“TSX”) and are traded under the symbol “AP.UN”.

The subsidiaries of Allied include Allied Properties Management Trust, Allied Properties Management Limited Partnership, Allied Properties Management GP Limited, Allied Properties Exchangeable Limited Partnership (the “Partnership”), and Allied Properties Exchangeable GP Inc. (the “General Partner”). On March 31, 2022, Allied acquired a portfolio of six properties from Choice Properties Real Estate Investment Trust (“Choice Properties”), which was partially settled with the issuance of 11,809,145 class B exchangeable limited partnership units of the Partnership (“Exchangeable LP Units”). Allied owns 100% of the shares of the General Partner and 100% of the class A LP Units of the Partnership.

Allied is domiciled in Ontario, Canada. The address of Allied’s registered office and its principal place of business is 134 Peter Street, Suite 1700, Toronto, Ontario, M5V 2H2.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The unaudited condensed consolidated financial statements are presented in Canadian dollars.

The unaudited condensed consolidated financial statements for the three months ended March 31, 2024 and 2023 were approved and authorized for issue by the Board of Trustees (the “Board”) on April 30, 2024.

(a) *Statement of compliance*

The unaudited condensed consolidated financial statements of Allied for the three months ended March 31, 2024 and 2023 are prepared in accordance with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”).

The material accounting policy information discussed below and disclosed in Allied’s December 31, 2023, audited annual consolidated financial statements as material accounting policies have been applied consistently in the preparation of these unaudited condensed consolidated financial statements, and the changes to the material accounting policies are described in note 2(b).

(b) *Total return swaps*

Allied has entered into a cash-settled Total Return Swap (“TRS”) to manage its cash flow exposure under the unit-based compensation plans. The TRS is carried at fair value and is reported as an asset when it has a positive fair value and as a liability when it has a negative fair value. Gains or losses arising from the change in fair values of the TRS, and interest expense and distributions earned on the TRS, are recognized in general and administrative expenses in the Unaudited Condensed Consolidated Statements of Loss and Comprehensive Loss.

(c) *Accounting standards effective in the year*

In January 2020, the IASB issued an amendment to IAS 1, “Presentation of Financial Statements” to clarify its requirements for the presentation of liabilities in the statement of financial position. The limited scope amendment affected only the presentation of liabilities in the statement of financial position and not the amount or timing of its recognition. The amendment clarified that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specified that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. It also introduced a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. On October 31, 2022, the IASB issued Non-Current Liabilities with Covenants (Amendments to IAS 1). These amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendments became effective for January 1, 2024. Allied adopted IAS 1 amendments and the amendments did not have any material impact on its financial disclosures.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the unaudited condensed consolidated financial statements requires management to make judgments and estimates in applying Allied’s accounting policies that affect the reported amounts and disclosures made in the unaudited condensed consolidated financial statements and accompanying notes.

The critical accounting estimates and assumptions disclosed in Allied’s December 31, 2023, audited annual consolidated financial statements have been applied consistently in the preparation of these unaudited condensed consolidated financial statements.

4. ACQUISITIONS AND DISPOSITIONS

Acquisitions

During the three months ended March 31, 2024, and year ended December 31, 2023, Allied did not acquire any properties.

Dispositions

During the three months ended March 31, 2024, Allied did not dispose of any properties.

On August 16, 2023, Allied closed on the disposition of the Urban Data Centre (“UDC”) portfolio to KDDI Canada Inc., a wholly owned subsidiary of KDDI Corporation (“KDDI”) for total gross cash proceeds of \$1,350,000, which represented the fair value of these investment properties at the time of disposition net of the lease liability at 250 Front Street W. Therefore, there was no gain or loss recorded on closing. The UDC portfolio included 151 Front Street W, 905 King Street W and 250 Front Street W and the lease liability at 250 Front Street W. Allied incurred net working capital adjustments of \$79,380 and selling costs of \$13,246, resulting in total net cash consideration of \$1,257,374.

On December 15, 2023, Allied closed on the disposition of an investment property held for sale, 8 Place du Commerce in Montréal, at a selling price of \$20,000, which represented the fair value of the investment property at the time of disposition, accordingly there was no gain or loss recorded on closing. In addition, Allied incurred net working capital adjustments of \$152 and selling costs of \$167, resulting in total net cash consideration of \$19,681.

5. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES HELD FOR SALE

Changes to the carrying amounts of investment properties and investment properties held for sale are summarized as follows:

	THREE MONTHS ENDED MARCH 31, 2024			YEAR ENDED DECEMBER 31, 2023		
	RENTAL PROPERTIES	PROPERTIES UNDER DEVELOPMENT (“PUD”)	TOTAL	RENTAL PROPERTIES	PROPERTIES UNDER DEVELOPMENT (“PUD”)	TOTAL
Balance, beginning of period	\$8,368,872	\$1,018,160	\$9,387,032	\$9,494,395	\$1,529,440	\$11,023,835
Additions:						
Improvement allowances	9,674	9,438	19,112	61,424	9,421	70,845
Leasing commissions	2,989	1,924	4,913	16,253	327	16,580
Capital expenditures	16,059	80,094	96,153	210,902	228,055	438,957
Dispositions	—	—	—	(1,477,000)	—	(1,477,000)
Transfers from PUD	109,980	(109,980)	—	688,540	(688,540)	—
Transfers to PUD	(19,280)	19,280	—	(89,320)	89,320	—
Transfers from (to) other assets	727	—	727	(505)	—	(505)
Amortization of straight-line rent and improvement allowances	(9,553)	1,613	(7,940)	(25,016)	3,139	(21,877)
Fair value loss on investment properties and investment properties held for sale ⁽¹⁾	(88,223)	(30,969)	(119,192)	(510,801)	(153,002)	(663,803)
Balance, end of period	\$8,391,245	\$989,560	\$9,380,805	\$8,368,872	\$1,018,160	\$9,387,032

	THREE MONTHS ENDED MARCH 31, 2024			YEAR ENDED DECEMBER 31, 2023		
	RENTAL PROPERTIES	PROPERTIES UNDER DEVELOPMENT ("PUD")	TOTAL	RENTAL PROPERTIES	PROPERTIES UNDER DEVELOPMENT ("PUD")	TOTAL
Investment properties	\$8,313,745	\$989,560	\$9,303,305	\$8,368,872	\$1,018,160	\$9,387,032
Investment properties held for sale	77,500	—	77,500	—	—	—
	\$8,391,245	\$989,560	\$9,380,805	\$8,368,872	\$1,018,160	\$9,387,032

(1) Includes a fair value gain on investment properties held for sale for discontinued operations for the three months ended March 31, 2024, of \$nil (for the year ended December 31, 2023 - \$108,849) which is presented separately in net income from discontinued operations (note 6).

As at March 31, 2024, Allied had three properties located in Montréal classified as investment properties held for sale totaling \$77,500. As at December 31, 2023, Allied did not classify any investment properties as held for sale.

For the three months ended March 31, 2024, Allied capitalized \$13,563 (March 31, 2023 - \$15,631) of borrowing costs to qualifying investment properties.

Included in the investment properties amounts noted in the table above are right-of-use assets with a fair value of \$136,280 (December 31, 2023 - \$138,760) representing the fair value of Allied's interest in four investment properties with corresponding lease liabilities. The leases' maturities range from 20.5 years to 78.2 years (December 31, 2023 - 20.8 years to 78.5 years). In addition, Allied has a prepaid land leasehold interest on a property with a fair value of \$172,030 (December 31, 2023 - \$173,240) and a maturity of 72.3 years (December 31, 2023 - 72.6 years).

Valuation methodology

The appraised fair value of investment properties and investment properties held for sale is most commonly determined using the following methodologies:

- (i) Discounted cash flow method - Under this approach, discount rates are applied to the projected annual operating cash flows, generally over a ten-year period, including a terminal value of the properties based on a capitalization rate applied to the estimated net operating income ("NOI"), a non-GAAP measure, in the terminal year.
- (ii) Comparable sales method - This approach compares a subject property's characteristics with those of comparable properties which have recently sold. The process uses one of several techniques to adjust the price of the comparable transactions according to the presence, absence, or degree of characteristics which influence value. These characteristics include the cost of construction incurred at a property under development.
- (iii) Direct capitalization method - Under this approach, capitalization rates are applied to the estimated stabilized NOI of the properties. Estimated stabilized NOI is based on projected rental revenue and property operating costs, and external evidence such as current market rents for similar properties, and is further adjusted for estimated vacancy loss and capital reserves.

Allied determines the fair value of its investment property portfolio every quarter and at year-end with the support of a third-party appraiser. The fair value of each investment property is determined based on various factors, including rental income from current leases, assumptions about rental income and cash outflows related to future leases reflecting market conditions, and recent market transactions.

Allied's valuation of its investment properties considers both asset-specific and market-specific factors, as well as observable transactions for similar assets. The determination of fair value requires the use of estimates, which are determined with the support of a third-party appraiser and compared with market data, third-party reports, and research, as well as observable market conditions.

Significant inputs

There are significant unobservable inputs used in determining the fair value of each investment property and investment property held for sale. Accordingly, the fair value measurements of all investment properties and investment properties held for sale are categorized within the fair value hierarchy, and the inputs used in the valuations of these investment properties are classified under Level 3 of the fair value hierarchy, reflecting Management's best estimate of what market participants would use in pricing the asset at the measurement date. Discount rates and terminal capitalization rates, which are significant unobservable inputs, are inherently uncertain and may be impacted by various factors, including movements in interest rates in the geographies, markets where the assets are located, and may vary with different classes of buildings. Changes in estimates of discount rates and terminal capitalization rates across different geographies, markets, and building classes often occur independently of each other and do not necessarily move in the same direction or with the same magnitude. Fair values are most sensitive to changes in discount rates and terminal capitalization rates. Generally, an increase in either discount rates or terminal capitalization rates will result in a decrease in the fair value. Below are the rates used in the modeling process for valuations of investment properties.

	WEIGHTED AVERAGE	
	MARCH 31, 2024	DECEMBER 31, 2023
Discount rate	6.00%	5.98%
Terminal capitalization rate	5.20%	5.18%
Overall capitalization rate	4.84%	4.82%
Discount horizon (years)	10	10

The analysis below shows the estimated impact on fair values of possible changes in discount rates or terminal capitalization rates, assuming no changes in NOI and other assumptions:

CHANGE IN DISCOUNT RATE OF	-0.50%	-0.25%	+0.25%	+0.50%
Increase (decrease) in fair value Investment Properties	\$398,935	\$196,603	\$(191,058)	\$(376,745)

CHANGE IN TERMINAL CAPITALIZATION RATE OF	-0.50%	-0.25%	+0.25%	+0.50%
Increase (decrease) in fair value				
Investment Properties	\$561,248	\$266,065	\$(241,089)	\$(460,589)

6. DISCONTINUED OPERATIONS

Allied completed the sale of the properties in the Urban Data Centre segment on August 16, 2023 (note 4). The Urban Data Centre segment was classified as discontinued operations in the fourth quarter of 2022 and the disposal group comprised of three investment properties and a related lease liability. The three investment properties were 151 Front Street W, 905 King Street W and 250 Front Street W and the lease liability was at 250 Front Street W.

The following table summarizes the results from discontinued operations:

	THREE MONTHS ENDED	
	MARCH 31, 2024	MARCH 31, 2023
Rental revenue	\$—	\$21,100
Property operating costs	—	(7,899)
Operating income	\$—	\$13,201
Interest expense	—	(1,771)
Fair value gain on investment properties held for sale	—	6,589
Net income from discontinued operations	\$—	\$18,019

The following table summarizes the cash flows of the discontinued operations:

	THREE MONTHS ENDED	
	MARCH 31, 2024	MARCH 31, 2023
Cash provided by (used in):		
Operating activities	\$—	\$9,080
Financing activities	—	—
Investing activities	—	(1,787)
	\$—	\$7,293

7. RESIDENTIAL INVENTORY

Residential inventory is as follows:

	MARCH 31, 2024	DECEMBER 31, 2023
KING Toronto	\$223,097	\$209,783

The changes in the aggregate carrying value of Allied's residential inventory are as follows:

	MARCH 31, 2024	DECEMBER 31, 2023
Balance, beginning of period	\$209,783	\$187,272
Development expenditures	13,314	37,887
Impairment	—	(15,376)
Balance, end of period	\$223,097	\$209,783

Residential inventory consists of assets that are developed by Allied for sale in the ordinary course of business. Allied may transfer an investment property to residential inventory based on a change in use, as evidenced by the commencement of development activities with the intention to sell. Alternatively, a transfer from residential inventory to investment property would be evidenced by the commencement of leasing activity.

On November 30, 2018, Allied entered into a joint arrangement with Westbank to develop KING Toronto. KING Toronto is a mixed-use property comprised of office, retail and residential uses. As part of the arrangement Allied sold a 50% undivided interest to Westbank. The residential component will be developed and sold as condominium units, totaling 440 units.

For the three months ended March 31, 2024, Allied capitalized \$2,351 (March 31, 2023 - \$2,168) of borrowing costs to qualifying residential inventory.

Residential inventory carrying value is calculated as the estimated gross proceeds less estimated costs to complete. The impairment during the year ended December 31, 2023, reflects higher estimated costs to complete.

8. INVESTMENT IN JOINT VENTURE AND LOAN RECEIVABLE

Investment in joint venture and the associated loan receivable is comprised of the following:

	MARCH 31, 2024	DECEMBER 31, 2023
Investment in joint venture	\$8,559	\$8,866
Loan receivable from joint venture	93,291	93,291
	\$101,850	\$102,157
Current	\$93,291	\$93,291
Non-current	8,559	8,866
	\$101,850	\$102,157

On July 2, 2013, Allied entered into a partnership agreement whereby Allied holds a one-third voting and economic interest in 7th Avenue Sky Partnership (“TELUS Sky”). TELUS Sky was created with the specific purpose of acquiring the entire beneficial interest in the properties located at 100-114 7th Avenue SW, Calgary and participating in its construction, development and management.

On October 31, 2019, Allied advanced a construction loan to TELUS Sky, with the loan having a maximum limit of \$114,000. The loan bears interest at bank prime plus 45 basis points or bankers’ acceptance rate plus 145 basis points. On July 14, 2023, TELUS Sky amended the construction loan agreement to extend the maturity date from July 15, 2023, to July 12, 2024, and repaid \$19,996 of the construction loan. As a result, the construction loan’s maximum limit was reduced to \$94,000 and the loan receivable outstanding after the repayment is \$93,291. As at March 31, 2024, the loan receivable outstanding is \$93,291 (December 31, 2023 - \$93,291). Allied is providing a joint and several guarantee up to the amount of \$94,000 to support the TELUS Sky facility.

Allied accounts for its interests in joint ventures using the equity method. The financial information below represents TELUS Sky at 100% and at Allied’s one-third interest.

As at March 31, 2024, Allied reclassified the commercial component of TELUS Sky from non-current assets to current assets totaling \$156,990 at 100% ownership and \$52,330 at Allied’s ownership, as Management intends to sell this portion of the investment property within one year.

	MARCH 31, 2024	DECEMBER 31, 2023
Current assets (including cash and cash equivalents)	\$161,439	\$5,715
Non-current assets	154,179	310,746
Current liabilities	(289,941)	(289,863)
Net assets of TELUS Sky at 100%	\$25,677	\$26,598
Net assets of TELUS Sky at Allied's share	\$8,559	\$8,866

	THREE MONTHS ENDED	
	MARCH 31, 2024	MARCH 31, 2023
Revenue	\$6,165	\$6,174
Expenses	(4,335)	(3,147)
Interest income	39	24
Amortization of other assets	(177)	—
Fair value gain (loss)	564	(12,069)
Net income (loss) and comprehensive income (loss) of TELUS Sky at 100%	\$2,256	\$(9,018)
Net income (loss) and comprehensive income (loss) of TELUS Sky at Allied's share	\$752	\$(3,006)

	MARCH 31, 2024	DECEMBER 31, 2023
Investment in joint venture, beginning of period	\$8,866	\$7,089
Net income (loss)	752	(15,622)
Contributions ⁽¹⁾	631	24,482
Distributions	(1,690)	(7,083)
Investment in joint venture, end of period	\$8,559	\$8,866

(1) For the three months ended March 31, 2024, Allied made a non-cash contribution to TELUS Sky of \$nil (year ended December 31, 2023 - \$19,996, resulting in a reduction to its loan receivable from joint venture by the same amount).

9. LOANS AND NOTES RECEIVABLE

Loans and notes receivable are as follows:

	MARCH 31, 2024	DECEMBER 31, 2023
Loans receivable (a)	\$540,570	\$509,697
Notes and other receivables (b)	49	56
	\$540,619	\$509,753
Current	\$195,308	\$188,382
Non-current	345,311	321,371
	\$540,619	\$509,753

(a) The balance of loans receivable is comprised of:

	MATURITY DATE	MARCH 31, 2024	DECEMBER 31, 2023
Adelaide & Duncan	N/A ⁽¹⁾	\$21,173	\$21,173
400 West Georgia	August 20, 2024	195,282	188,355
KING Toronto	December 31, 2026 ⁽²⁾	128,088	112,161
Breithaupt Phase III	N/A ⁽³⁾	9,913	9,913
150 West Georgia	December 9, 2025	186,114	178,095
Total loans receivable		\$540,570	\$509,697

(1) The loan is repayable when the joint arrangement obtains external permanent financing.

(2) The facility matures at the earlier of December 31, 2026 or the closing of the condominium units.

(3) The loan is repayable in installments upon rent commencement.

Allied has a joint arrangement with Westbank. As part of the arrangement, Allied advanced \$21,173 to Westbank for its purchase of a 50% undivided interest in Adelaide & Duncan. The facility is secured by a charge on the property (subordinated to the construction lender) and assignment of rents and leases. Interest accrues and is payable monthly at a rate of 7.75% per annum.

Allied has an arrangement with Westbank to provide a credit facility of up to \$175,000, plus interest, for the land acquisition and the pre-development costs of 400 West Georgia in Vancouver. The facility is secured by Westbank's covenant and a charge on the property (subordinated to the construction lender). Interest accrues to the credit facility monthly at the greater of (i) 6.75% per annum; and (ii) prime plus 3.00% per annum.

Allied has a joint arrangement with Westbank to develop KING Toronto. As part of the arrangement, Allied advanced a loan (the "Original Facility"), in the principal amount of \$73,414, to Westbank for its purchase of a 50% undivided interest in the property. Interest accrued to the Original Facility at a rate of 7.00% per annum for the period up to and including November 30, 2023. Thereafter, interest accrues to the Original Facility at the greater of (i) 7.00% per annum; and (ii) prime plus 3.00% per annum. During the fourth quarter of 2023, the loan was further amended to add an additional credit facility in an aggregate principal amount not to exceed \$40,000 (the "Additional Facility"). Interest accrues to the Additional Facility at a rate of prime plus 8.00% per annum.

Allied has a joint arrangement with Perimeter to develop Breithaupt Phase III and a loan receivable arrangement to provide 50% of the pre-development costs. The facility is secured by a charge on the property (subordinated to the construction lender). Interest accrues at a rate of 7.00% per annum.

Allied has an arrangement with Westbank to provide a credit facility of up to \$185,000, plus interest, for the land acquisition and the pre-development costs of 150 West Georgia in Vancouver. The facility is secured by a first mortgage on the property for a fixed term. On placement of construction financing, the mortgage will be secured by a charge on the property (subordinated to the construction lender). Interest accrues to the credit facility monthly at a rate of 7.00% per annum.

Allied has assessed the expected credit losses on an individual loan basis. Allied assesses the risk of expected credit losses, including considering the status of corporate guarantees and/or registered mortgage charges and assignment of leases, outcome of credit checks on borrowers, results of monitoring the financial and operating performance of borrowers, construction and leasing status on the development projects, timing of rent commencement on leases, and status of scheduled principal and interest payments. The expected credit losses estimated by Management considering the factors described above is \$nil as at March 31, 2024 (December 31, 2023 - \$nil).

(b) As at March 31, 2024, and December 31, 2023, the balance of notes and other receivables is made up of individually insignificant notes receivable.

10. OTHER ASSETS

Other assets consist of the following:

	MARCH 31, 2024	DECEMBER 31, 2023
Equipment and other assets ⁽¹⁾	\$4,032	\$4,065
Property, plant and equipment ⁽²⁾	19,770	20,597
Interest rate swap derivative assets	31,014	23,866
	\$54,816	\$48,528

(1) During the three months ended March 31, 2024, Allied recorded amortization of equipment and other assets of \$278 (March 31, 2023 - \$270).

(2) Property, plant and equipment relates to owner-occupied property. During the three months ended March 31, 2024, Allied recorded amortization of owner-occupied property of \$100 (March 31, 2023 - \$100).

On March 28, 2024, Allied entered into a cash-settled total return swap with a financial institution for 750,000 Units to manage its cash flow exposure under the unit-based compensation plans. From the effective date of April 15, 2024, Allied pays monthly interest based on the notional value of the Units subject to the TRS, and receives monthly distributions on the Units. Settlement of the TRS occurs in whole or in part. Upon settlement, Allied receives any appreciation, or remits any depreciation, in the notional value of the Units calculated in accordance with the TRS.

11. ACCOUNTS RECEIVABLE, PREPAID EXPENSES AND DEPOSITS

Accounts receivable, prepaid expenses and deposits consist of the following:

	MARCH 31, 2024	DECEMBER 31, 2023
User trade receivables - net of allowance (a)	\$16,988	\$17,067
Other user receivables (b)	8,928	8,197
Miscellaneous receivables (c)	24,587	24,218
Prepaid expenses and deposits (d)	110,716	91,481
	\$161,219	\$140,963

(a) *User trade receivables*

User trade receivables include minimum rent, additional rent recoveries, parking, ancillary revenue and applicable sales taxes.

An allowance is maintained for expected credit losses resulting from the inability of users to meet obligations under lease agreements. Allied actively reviews receivables on a continuous basis and determines the potentially uncollectible accounts on a per-user basis giving consideration to their credit risk, payment history and future expectations of likely default events, and records an impairment based on expected credit losses as required.

The change in the allowance for expected credit loss is reconciled as follows:

	THREE MONTHS ENDED	YEAR ENDED
	MARCH 31, 2024	DECEMBER 31, 2023
Allowance for expected credit loss, beginning of period	\$11,722	\$11,336
Additional provision recorded during the period	584	3,063
Reversal of previous provisions	(90)	(1,632)
Receivables written off during the period	(744)	(1,045)
Allowance for expected credit loss, end of period	\$11,472	\$11,722

(b) *Other user receivables*

Other user receivables pertain to unbilled operating costs such as common area maintenance and property tax recoveries and chargebacks.

(c) *Miscellaneous receivables*

Miscellaneous receivables consist primarily of HST receivables from the government, interest rate swap receivables due from financial institutions, management fees and interest income due from external parties, and chargebacks on construction projects which are managed by Allied for tenants. As at March 31, 2024, there are no credit risk indicators that the debtors will not meet their payment obligations.

(d) *Prepaid expenses and deposits*

Prepaid expenses and deposits primarily relate to prepaid realty taxes, prepaid interest, prepaid due diligence on acquisitions and a deposit on disposition.

12. DEBT

Debt consists of the following items, net of financing costs:

	MARCH 31, 2024	DECEMBER 31, 2023
Mortgages payable (a)	\$110,242	\$111,875
Construction loans payable (b)	316,503	307,013
Unsecured revolving operating facility (c)	51,095	—
Senior unsecured debentures (d)	2,592,069	2,591,569
Unsecured term loans (e)	649,263	649,154
	\$3,719,172	\$3,659,611
Current	\$211,833	\$149,245
Non-current	3,507,339	3,510,366
	\$3,719,172	\$3,659,611

(a) Mortgages payable

Mortgages payable have a weighted average contractual interest rate of 3.38% as at March 31, 2024 (December 31, 2023 - 3.38%). The mortgages are secured by a first registered charge over specific investment properties and first general assignments of leases, insurance and registered chattel mortgages.

	PRINCIPAL REPAYMENTS	BALANCE DUE AT MATURITY	MARCH 31, 2024	DECEMBER 31, 2023
Remaining 2024	\$1,871	\$46,668	\$48,539	
2025	6,578	—	6,578	
2026	1,553	20,443	21,996	
2027	655	—	655	
2028	469	14,457	14,926	
2029	183	—	183	
2030	5,191	—	5,191	
2031	199	—	199	
2032	208	—	208	
2033	107	13,289	13,396	
Mortgages, principal	\$17,014	\$94,857	\$111,871	\$112,677
Net premium on assumed mortgages			146	233
Net financing costs			(1,775)	(1,035)
			\$110,242	\$111,875

(b) *Construction loans payable*

As at March 31, 2024, and December 31, 2023, Allied's obligations under the construction loans are as follows:

JOINT ARRANGEMENT	OWNERSHIP	DATE OF MATURITY	MARCH 31, 2024	DECEMBER 31, 2023
Adelaide & Duncan	50%	August 11, 2025	\$114,986	\$110,046
Breithaupt Phase III	50%	March 31, 2025	58,005	58,005
KING Toronto	50%	December 17, 2024	99,900	99,900
108 East 5th Avenue	50%	December 6, 2025	43,612	39,062
			\$316,503	\$307,013

The Adelaide & Duncan joint arrangement has a \$295,000 construction lending facility from a syndicate of Canadian banks, in which Allied's 50% share is \$147,500. The loan bears interest at bank prime plus 35 basis points or bankers' acceptance rate plus 135 basis points with a standby fee of 25 basis points and a letter of credit fee of 100 basis points. Allied is providing a joint and several guarantee of the entire facility and is earning a related guarantee fee on up to \$147,500 of the facility. The Adelaide & Duncan joint arrangement entered into a swap agreement to fix approximately 75% of the construction loan up to \$209,572 at 2.86%, which matured on March 31, 2023.

Allied and Perimeter have a \$138,000 construction loan for the Breithaupt Phase III joint arrangement from a syndicate of Canadian banks, in which Allied's 50% share is \$69,000. The loan bears interest at bank prime plus 25 basis points or bankers' acceptance rate plus 145 basis points with a standby fee of 20 basis points and a letter of credit fee of 100 basis points. Allied is providing a joint and several guarantee of the entire facility and is earning a related guarantee fee on up to \$69,000 of the facility.

Allied and Westbank have a \$465,000 green construction lending facility for the KING Toronto joint arrangement from a syndicate of Canadian banks, in which Allied's 50% share is \$232,500. Up to \$120,000 of the deposits paid by the purchasers of the KING Toronto condominium units can be released to the KING Toronto joint arrangement to fund the construction of the condominium units ("Purchaser Deposits"). As at December 31, 2023, \$92,402 of the Purchaser Deposits were released. When the release of the Purchaser Deposits exceeds \$80,000, the facility limit is reduced. As such, on November 6, 2023, the facility limit was decreased from \$465,000 to \$452,598, in which Allied's 50% share is \$226,299. The loan bears interest at bank prime plus 45 basis points or bankers' acceptance rate plus 145 basis points with a standby fee of 25 basis points and a letter of credit fee of 100 basis points. Allied is providing a joint and several guarantee of the entire facility and is earning a related guarantee fee on up to \$226,299 of the facility.

The 108 East 5th Avenue joint arrangement has a \$150,000 construction lending facility from a syndicate of Canadian banks, in which Allied's 50% share is \$75,000. The loan bears interest at prime plus 35 basis points or bankers' acceptance rate plus 135 basis points with a standby fee of 27 basis points and a letter of credit fee rate of 100 basis points. These interest rates and the standby fee (other than the letter of credit fee) are subject to variability based on the achievement of two distinct sustainability performance targets. For each sustainability performance target achieved, the interest rate and standby fee would decrease by 0.025% per annum and 0.005% per annum, respectively. In addition, if certain sustainability minimums are not achieved, the interest rate and standby fee would increase by 0.025% per annum and 0.005% per annum, respectively. Depending on the applicable sustainability performance target or sustainability minimum, the settlement of these interest rate variations and the standby fee occurs either annually or at the earlier of December 6, 2025, and the date the construction lending facility is fully repaid. Allied has provided a joint and several guarantee of the entire facility and is earning a related guarantee fee on up to \$75,000 of the facility. On January 13, 2023, the 108 East 5th Avenue joint arrangement entered into a swap agreement to fix approximately 75% of the construction loan up to \$110,175 at 4.90%.

(c) *Unsecured revolving operating facility*

As at March 31, 2024, and December 31, 2023, Allied's obligation under the unsecured revolving operating facility (the "Unsecured Facility") is as follows:

MARCH 31, 2024

MATURITY DATE	CONTRACTUAL INTEREST RATES ON DRAWINGS	STANDBY FEE	FACILITY LIMIT ⁽¹⁾	DRAWINGS	LETTERS OF CREDIT	AMOUNT AVAILABLE
January 26, 2027	Prime + 0.45% or CORRA + 1.45% ⁽²⁾	0.29%	\$800,000	\$(51,095)	\$(32,528)	\$716,377

(1) This Unsecured Facility contains a \$100,000 accordion feature, allowing Allied to increase the amount available under the facility to \$900,000.

(2) The interest rates on drawings for this facility are subject to certain conditions being met. In the event that these conditions are not met, the spread above Prime or CORRA would change.

DECEMBER 31, 2023

MATURITY DATE	CONTRACTUAL INTEREST RATES ON DRAWINGS	STANDBY FEE	FACILITY LIMIT ⁽¹⁾	DRAWINGS	LETTERS OF CREDIT	AMOUNT AVAILABLE
January 30, 2025	Prime + 0.45% or Bankers' acceptance + 1.45% ⁽²⁾	0.29%	\$800,000	\$—	\$(14,906)	\$785,094

(1) This Unsecured Facility contains a \$100,000 accordion feature, allowing Allied to increase the amount available under the facility to \$900,000.

(2) The interest rates on drawings for this facility are subject to certain conditions being met. In the event that these conditions are not met, the spread above Prime or Bankers' acceptance would change.

On March 31, 2023, Allied amended the Unsecured Facility to increase the limit by \$100,000 to \$700,000 and on June 26, 2023, Allied amended the Unsecured Facility to increase the limit by \$100,000 to \$800,000. On January 26, 2024, Allied updated the Unsecured Facility of \$800,000 to include a syndicate of lenders and extend the maturity date to January 26, 2027. In addition, due to the anticipated cessation of the publication of CDOR by June 28, 2024, which is being replaced by the Canadian Overnight Repo Rate Average (“CORRA”), Allied amended the Unsecured Facility to update the benchmark rates in this agreement from CDOR to CORRA, including a fixed spread for the basis difference between CDOR and CORRA, so there is no economic impact to Allied. The Unsecured Facility bears interest at a variable rate of either prime plus 45 basis points or CORRA plus 145 basis points per annum with a standby fee of 29 basis points and a letter of credit fee rate of 100 basis points.

(d) *Senior unsecured debentures*

As at March 31, 2024, and December 31, 2023, Allied’s obligations under the senior unsecured debentures are as follows:

SERIES	CONTRACTUAL INTEREST RATE	DATE OF MATURITY	INTEREST PAYMENT DATE	MARCH 31, 2024	DECEMBER 31, 2023
Series C	3.636%	April 21, 2025	April 21 and October 21	\$200,000	\$200,000
Series D	3.394%	August 15, 2029	February 15 and August 15	300,000	300,000
Series E	3.113%	April 8, 2027	April 8 and October 8	300,000	300,000
Series F	3.117%	February 21, 2030	February 21 and August 21	400,000	400,000
Series G	3.131%	May 15, 2028	May 15 and November 15	300,000	300,000
Series H	1.726%	February 12, 2026	February 12 and August 12	600,000	600,000
Series I	3.095%	February 6, 2032	February 6 and August 6	500,000	500,000
Unsecured Debentures, principal				\$2,600,000	\$2,600,000
Net financing costs				(7,931)	(8,431)
				\$2,592,069	\$2,591,569

The Series C, D, E, F, G, H and I Senior Unsecured Debentures are collectively referred to as the “Unsecured Debentures”.

The respective financing costs recognized are amortized using the effective interest method and recorded to interest expense (note 12 (f)).

(e) *Unsecured term loans*

As at March 31, 2024, and December 31, 2023, Allied’s obligations under the unsecured term loans are as follows:

	CONTRACTUAL INTEREST RATE	DATE OF MATURITY	FREQUENCY OF INTEREST PAYMENT	MARCH 31, 2024	DECEMBER 31, 2023
Unsecured term loan	3.496%	January 14, 2026	Monthly	\$250,000	\$250,000
Unsecured term loan	4.865%	October 22, 2025	Monthly	400,000	400,000
Unsecured term loans, principal				\$650,000	\$650,000
Net financing costs				(737)	(846)
				\$649,263	\$649,154

The two unsecured term loans are collectively referred to as “Unsecured Term Loans”. The respective financing costs are amortized using the effective interest method and recorded to interest expense (note 12 (f)).

On February 3, 2023, Allied extended the maturity date on its \$250,000 unsecured term loan from January 14, 2024, to January 14, 2026, by exercising two one-year extension options. Debt financing costs of \$300 were incurred for these extensions. Allied can extend this loan further through one-year extension options until January 14, 2031. Allied has a swap agreement until January 14, 2031, which has a current rate of 3.496%.

On April 22, 2022, Allied entered into an unsecured term loan with a financial institution for \$400,000 at a rate of prime plus 10 basis points or bankers’ acceptance plus 110 basis points. Allied has a swap agreement to fix the rate at 4.865%.

(f) *Interest expense*

Interest expense consists of the following:

	THREE MONTHS ENDED	
	MARCH 31, 2024	MARCH 31, 2023
Interest on debt:		
Mortgages payable	\$941	\$846
Construction loans payable	5,154	3,001
Promissory note payable ⁽¹⁾	—	986
Unsecured Facility	862	7,472
Unsecured Debentures	18,664	18,677
Unsecured Term Loans	6,994	6,918
Interest on lease liabilities ⁽²⁾	772	801
Amortization, net (premium) discount on debt	(87)	985
Amortization, net financing costs	731	677
Distributions on Exchangeable LP Units ⁽³⁾	5,314	—
	\$39,345	\$40,363
Interest capitalized to qualifying investment properties and residential inventory	(15,914)	(17,799)
Interest expense	\$23,431	\$22,564

(1) On March 31, 2022, Allied acquired a portfolio of six properties from Choice Properties, which was partially settled with the issuance of a \$200,000 promissory note. The promissory note had a contractual interest rate of 2.00% for the 2023 year, and was fully repaid on December 29, 2023.

(2) For the three months ended March 31, 2024, excludes interest on a lease liability held for sale of \$nil (March 31, 2023 - \$1,771) that is presented separately in the net income from discontinued operations (note 6).

(3) The distributions declared on Exchangeable LP Units are recognized as interest expense due to Allied's conversion to an open-end trust on June 12, 2023.

Borrowing costs have been capitalized to qualifying investment properties and residential inventory at a weighted average effective rate of 3.18% per annum (March 31, 2023 - 3.56%), which excludes directly attributable borrowing costs.

(g) *Schedule of principal repayments*

The table below summarizes the scheduled principal maturity for Allied's mortgages payable, construction loans payable, Unsecured Facility, Unsecured Debentures and Unsecured Term Loans as at March 31, 2024:

	REMAINING 2024	2025	2026	2027	2028	THEREAFTER	TOTAL
Mortgages payable, principal repayments	\$1,871	\$6,578	\$1,553	\$655	\$469	\$5,888	\$17,014
Mortgages payable, balance due at maturity	46,668	—	20,443	—	14,457	13,289	94,857
Construction loans payable	99,900	216,603	—	—	—	—	316,503
Unsecured Facility	—	—	—	51,095	—	—	51,095
Unsecured Debentures	—	200,000	600,000	300,000	300,000	1,200,000	2,600,000
Unsecured Term Loans	—	400,000	250,000	—	—	—	650,000
Total	\$148,439	\$823,181	\$871,996	\$351,750	\$314,926	\$1,219,177	\$3,729,469

A description of Allied's risk management objectives and policies for financial instruments is provided in note 26.

13. LEASE LIABILITIES

Allied's future minimum lease liability payments as a lessee are as follows:

	REMAINING 2024	2025 - 2028	THEREAFTER	MARCH 31, 2024	DECEMBER 31, 2023
Future minimum lease payments	\$2,799	\$13,694	\$136,732	\$153,225	\$153,800
Interest (paid) accrued on lease obligations	(437)	(1,283)	—	(1,720)	(1,510)
Less: amounts representing interest payments	(2,362)	(12,411)	(85,884)	(100,657)	(101,651)
Present value of lease payments	\$—	\$—	\$50,848	\$50,848	\$50,639
Non-current				\$50,848	\$50,639
				\$50,848	\$50,639

Some of Allied's lease agreements contain contingent rent clauses. Contingent rental payments are recognized in the Unaudited Condensed Consolidated Statements of Loss and Comprehensive Loss as required when contingent criteria are met. The lease agreements contain renewal options, purchase options, escalation clauses, additional debt and further leasing clauses. For the three months ended March 31, 2024, minimum lease payments of \$532 (March 31, 2023 - \$2,217) were paid by Allied.

14. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities consists of the following:

	MARCH 31, 2024	DECEMBER 31, 2023
Trade payables and other liabilities	\$268,656	\$283,346
Prepaid user rents	80,821	81,560
Accrued interest payable on Unsecured Debentures	17,618	23,238
Distributions payable on Units (note 16)	19,193	80,612
Distributions payable on Exchangeable LP Units (note 17)	1,771	7,440
Residential deposits ⁽¹⁾	48,242	47,513
Unit-based compensation liabilities (note 18(c))	2,115	1,938
	\$438,416	\$525,647
Current	\$389,422	\$476,863
Non-current ⁽²⁾	48,994	48,784
	\$438,416	\$525,647

(1) Residential deposits related to the residential condominium units at KING Toronto.

(2) Non-current liabilities as at March 31, 2024, are composed of residential deposits totaling \$48,242 and unit-based compensation liabilities totaling \$752 (December 31, 2023 - \$47,513 and \$1,271, respectively).

15. FAIR VALUE MEASUREMENTS

The classification, measurement basis and related fair value disclosures of the financial assets and liabilities are summarized in the following table:

	CLASSIFICATION/ MEASUREMENT	MARCH 31, 2024		DECEMBER 31, 2023	
		CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
Financial Assets:					
Loan receivable from joint venture (note 8)	Amortized cost	\$93,291	\$93,291	\$93,291	\$93,291
Loans and notes receivable (note 9)	Amortized cost	540,619	531,699	509,753	502,004
Interest rate swap derivative assets (note 10)	FVTPL	31,014	31,014	23,866	23,866
Accounts receivable, prepaid expenses and deposits (note 11)	Amortized cost	161,219	161,219	140,963	140,963
Cash and cash equivalents (note 21)	Amortized cost	12,991	12,991	211,069	211,069
Financial Liabilities:					
Debt (note 12)					
Mortgages	Amortized cost	\$110,242	\$107,721	\$111,875	\$107,755
Construction loans payable	Amortized cost	316,503	316,503	307,013	307,013
Unsecured Facility	Amortized cost	51,095	51,095	—	—
Unsecured Debentures	Amortized cost	2,592,069	2,258,749	2,591,569	2,266,700
Unsecured Term Loans	Amortized cost	649,263	640,342	649,154	641,686
Accounts payable and other liabilities (note 14)	Amortized cost	436,301	436,301	523,709	523,709
Unit-based compensation liabilities (notes 14 and 18(c))	FVTPL	2,115	2,115	1,938	1,938
Exchangeable LP Units (note 17)	FVTPL	208,668	208,668	238,309	238,309

Allied uses various methods in estimating the fair value of assets and liabilities that are measured on a recurring or non-recurring basis in the Unaudited Condensed Consolidated Balance Sheets after initial recognition. The fair value hierarchy reflects the significance of inputs used in determining the fair values.

- Level 1 - quoted prices in active markets for identical assets and liabilities;
- Level 2 - inputs other than quoted prices in active markets or valuation techniques where significant inputs are based on observable market data; and
- Level 3 - valuation technique for which significant inputs are not based on observable market data.

The following table presents the hierarchy of the significance of inputs in determining the fair value of assets and liabilities for measurement or disclosure based on Allied's accounting policy for such instruments:

	MARCH 31, 2024			DECEMBER 31, 2023		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
Financial Assets:						
Loan receivable from joint venture (note 8)	\$—	\$93,291	\$—	\$—	\$93,291	\$—
Loans and notes receivable (note 9)	—	531,699	—	—	502,004	—
Interest rate swap derivative assets (note 10)	—	31,014	—	—	23,866	—
Accounts receivable, prepaid expenses and deposits (note 11)	—	161,219	—	—	140,963	—
Cash and cash equivalents (note 21)	12,991	—	—	211,069	—	—
Financial Liabilities:						
Debt (note 12)						
Mortgages	\$—	\$107,721	\$—	\$—	\$107,755	\$—
Construction loans payable	—	316,503	—	—	307,013	—
Unsecured Facility	—	51,095	—	—	—	—
Unsecured Debentures	—	2,258,749	—	—	2,266,700	—
Unsecured Term Loans	—	640,342	—	—	641,686	—
Accounts payable and other liabilities (note 14)	—	436,301	—	—	523,709	—
Unit-based compensation liabilities (notes 14 and 18(c))	—	2,115	—	—	1,938	—
Exchangeable LP Units (note 17)	—	208,668	—	—	238,309	—

There were no transfers between levels of the fair value hierarchy in either period.

The following summarizes the significant methods and assumptions used in estimating the fair value of Allied's financial assets and liabilities measured at fair value:

Interest rate swap derivative contracts

The fair value of the interest rate swap derivative contracts is determined using forward interest rates observable in the market (Level 2).

Unit-based compensation liabilities

The fair value of Allied's unit-based compensation liabilities is based on the market value of the underlying Units (Level 2). For the performance trust units, the performance market conditions are also taken into consideration.

Exchangeable LP Units

The fair value of Exchangeable LP Units is based on the closing market trading price of Units as at each period end (Level 2).

Debt and loans and notes receivable

The fair value of debt and loans and notes receivable are determined by discounting the cash flows of these financial instruments using period end market rates for instruments of similar terms and credit risks that are observable in the market (Level 2).

16. EQUITY

Units (authorized - unlimited)

Each Unit represents a single vote at any meeting of holders of Units and Special Voting Units (as defined below) and entitles the holders of Units and Special Voting Units to receive a *pro rata* share of all distributions, in accordance with the conditions provided for in the Declaration of Trust.

The following represents the number of Units issued and outstanding, and the related carrying value of equity, for the three months ended March 31, 2024, and the year ended December 31, 2023.

	NUMBER ISSUED AND OUTSTANDING	AMOUNT
Balance at January 1, 2023	127,955,983	\$3,909,378
Restricted Unit Plan (net of forfeitures) (note 18(b))	—	(2,250)
Distribution in Units	31,703,663	639,780
Consolidation of Units	(31,703,663)	—
Balance at December 31, 2023	127,955,983	\$4,546,908
Restricted Unit Plan (net of forfeitures) (note 18(b))	—	(1,692)
Balance at March 31, 2024	127,955,983	\$4,545,216

Allied does not hold any of its own Units, nor does Allied reserve any Units for issue under options and contracts.

Distributions

On December 15, 2023, Allied declared a special distribution of \$5.48 per Unit, comprised of \$0.48 per Unit payable in cash and \$5.00 per Unit payable by the issuance of Units of Allied to Unitholders of record as at December 29, 2023 (the “Special Distribution”). The Special Distribution was made primarily to distribute to Unitholders a portion of the capital gain realized by Allied during the year ended December 31, 2023, from the sale of the UDC Portfolio.

On December 29, 2023, 31,703,663 Units were distributed at a price of \$20.18 per Unit, for an aggregate value of \$639,780. Immediately following the Special Distribution of Units, the outstanding Units of Allied were consolidated such that each Unitholder held, after the consolidation, the same number of Units as held immediately prior to the Special Distribution. For the year ended December 31, 2023, the issuance of Units pursuant to the Special Distribution was recorded to Units in the Consolidated Statements of Equity in accordance with IAS 32, “Financial Instruments: Presentation”, with a corresponding reduction to retained earnings as a result of the Special Distribution declared. The remaining portion of the Special Distribution of \$61,419 was paid in cash on January 15, 2024.

On April 15, 2024, Allied declared a distribution for the month of April 2024 of \$0.15 per Unit, representing \$1.80 per Unit on an annualized basis to Unitholders of record as at April 30, 2024.

Normal course issuer bid

On February 22, 2024, Allied received approval from the TSX for the renewal of its normal course issuer bid (“NCIB”), which entitles Allied to purchase up to 12,629,698 of its outstanding Units, representing approximately 10% of its public float as at February 12, 2024. The NCIB commenced February 26, 2024, and will expire on February 25, 2025, or such earlier date as Allied completes its purchases pursuant to the NCIB. All purchases under the NCIB will be made on the open market through the facilities of the TSX or alternate trading systems in Canada at market prices prevailing at the time of purchase. Any Units that are repurchased will either be cancelled or delivered to participants under Allied’s Restricted Unit Plan or to employees pursuant to Allied’s employee programs.

During the three months ended March 31, 2024, Allied purchased 98,183 Units for \$1,692 at a weighted average price of \$17.23 for delivery to participants under Allied’s Restricted Unit Plan.

17. EXCHANGEABLE LP UNITS

Exchangeable LP Units (authorized - unlimited)

Exchangeable LP Units issued by the Partnership are economically equivalent to Units, receive distributions equal to the distributions paid on the Units and are exchangeable, at the holder’s option, for Units. All Exchangeable LP Units are held, directly or indirectly, by Choice Properties.

The 11,809,145 Exchangeable LP Units issued on March 31, 2022, in connection with the acquisition of certain properties contain lock-up and standstill restrictions. On each of June 30, 2023, September 30, 2023, and December 31, 2023, the lock-up expired on 2,952,286 Exchangeable LP Units and on March 31, 2024, the lock-up expired on 2,952,287 Exchangeable LP Units. Therefore, there are no Exchangeable LP Units with lock-up and standstill restrictions as at March 31, 2024.

Each Exchangeable LP Unit is accompanied by one special voting unit of Allied (“Special Voting Unit”) which provides the holder thereof with the right to one vote at all meetings of holders of Units and Special Voting Units.

The following represents the number of Exchangeable LP Units issued and outstanding, and the related carrying value, for the three months ended March 31, 2024, and the year ended December 31, 2023.

	NUMBER ISSUED AND OUTSTANDING	AMOUNT
Balance at January 1, 2023	11,809,145	\$541,672
Distributions	—	(8,857)
Retained Earnings	—	4,997
Reclassification of Exchangeable LP Units	—	(270,807)
Fair value gain on Exchangeable LP Units	—	(28,696)
Balance at December 31, 2023	11,809,145	\$238,309
Fair value gain on Exchangeable LP Units	—	(29,641)
Balance at March 31, 2024	11,809,145	\$208,668

On each date that a distribution is declared by Allied on the Units, a distribution in an equal amount per unit is declared by the Partnership on the Exchangeable LP Units. A holder of Exchangeable LP Units may elect to defer receipt of all or a portion of distributions declared by the Partnership until the first business day following the end of the fiscal year. If the holder elects to defer, the Partnership will loan the holder an amount equal to the deferred distribution without interest, and the loan will be due and payable on the first business day following the end of the fiscal year during which the loan was advanced. The distributions declared by the Partnership on the Exchangeable LP Units from January 1, 2024, to March 31, 2024, was \$5,314, for which Choice Properties elected to receive a loan in lieu of all of the distributions. A note receivable of \$10,983 was outstanding from Choice Properties as of March 31, 2024, of which \$5,314 was for cash advances made during the three months ended March 31, 2024, and \$5,669 was for the special cash distribution declared in December 2023 and paid in January 2024. Since there is a legally enforceable right and an intention by Allied and Choice Properties to settle the note receivable from Choice Properties and the distributions payable to Choice Properties on a net basis on the first business day following the end of the fiscal year, these financial instruments are offset on the balance sheet. On January 2, 2024, \$21,207 of the note receivable due from Choice Properties was settled on a net basis against the distributions payable to Choice Properties.

On April 15, 2024, the Partnership declared a distribution for the month of April 2024 of \$0.15 per Exchangeable LP Unit, representing \$1.80 per Exchangeable LP Unit on an annualized basis to holders of the Exchangeable Units as at April 30, 2024, for which Choice Properties elected to receive a loan in lieu of the distribution.

18. COMPENSATION PLANS

(a) Unit Option Plan

Allied adopted a unit option plan (the “Unit Option Plan”) providing for the issuance, from time to time, at the discretion of the Board, of options to purchase Units for cash. Participation in the Unit Option Plan is restricted to certain employees of Allied. The Unit Option Plan complies with the requirements of the TSX. The exercise price of any option granted will not be less than the closing market price of the Units on the day preceding the date of grant. The term of the options do not exceed ten years. Options granted prior to February 22, 2017, vest evenly over three years and options granted subsequently vest evenly over four years from the date of grant. All options are settled in Units. Effective December 2021, no further options will be granted under the Unit Option Plan.

SUMMARY OF UNIT OPTION GRANTS

DATE GRANTED	EXPIRY DATE	UNIT OPTIONS GRANTED	EXERCISE PRICE	EXERCISED - LIFE TO DATE	FORFEITED - LIFE TO DATE	NET OUTSTANDING	VESTED
March 1, 2016	March 1, 2026	540,480	\$31.56	(350,831)	(23,204)	166,445	166,445
February 22, 2017	February 22, 2027	279,654	\$35.34	(23,576)	—	256,078	256,078
February 14, 2018	February 14, 2028	198,807	\$40.30	(14,685)	—	184,122	184,122
February 13, 2019	February 13, 2029	323,497	\$47.53	(2,717)	(4,330)	316,450	316,450
February 5, 2020	February 5, 2030	352,230	\$54.59	—	(1,594)	350,636	350,636
February 3, 2021	February 3, 2031	442,233	\$36.55	(1,533)	(1,460)	439,240	364,145
		2,136,901		(393,342)	(30,588)	1,712,971	1,637,876

	THREE MONTHS ENDED		YEAR ENDED	
	MARCH 31, 2024		DECEMBER 31, 2023	
	THE RANGE OF EXERCISE PRICES	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	THE RANGE OF EXERCISE PRICES	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)
For the Units outstanding at the end of the period	\$31.56-54.59	4.89	\$31.56-54.59	5.14

	THREE MONTHS ENDED		YEAR ENDED	
	MARCH 31, 2024		DECEMBER 31, 2023	
	NUMBER OF UNITS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF UNITS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	1,712,971	\$42.01	1,717,043	\$41.98
Forfeited	—	\$—	(4,072)	\$31.56
Balance, end of period	1,712,971	\$42.01	1,712,971	\$42.01
Units exercisable at the end of the period	1,637,876	\$42.26	1,437,023	\$42.08

Allied accounts for its Unit Option Plan using the fair value method, under which compensation expense is measured at the date options are granted and recognized over the vesting period. Allied utilizes the Black-Scholes Model for the valuation of Unit options with no performance criteria.

The underlying expected volatility was determined by reference to historical data of Allied's Units over 10 years.

For the three months ended March 31, 2024, Allied recorded a unit-based compensation expense of \$58 (March 31, 2023 - \$151) in general and administrative expense in the Unaudited Condensed Consolidated Statements of Loss and Comprehensive Loss.

(b) *Restricted Unit Plan*

Certain employees and the trustees of Allied may be granted Restricted Units pursuant to the terms of the Restricted Unit Plan, which are subject to vesting conditions and disposition restrictions, in order to provide a long-term compensation incentive. The Restricted Units will not vest and remain subject to forfeiture until the participant has held his or her position with Allied for a specific period of time. Generally, one third of the Restricted Units vest on each of the first, second and third anniversaries from the date of grant for employees. Restricted Units granted to non-management trustees are fully vested on the grant date. Units required under the Restricted Unit Plan are acquired in the secondary market through a custodian and then distributed to the individual participant accounts. Restricted Units are released to participants forthwith following the sixth anniversary of the award date or such other date as determined in accordance with the Restricted Unit Plan.

The following is a summary of the activity of Allied’s Restricted Unit Plan:

	THREE MONTHS ENDED	YEAR ENDED
	MARCH 31, 2024	DECEMBER 31, 2023
Restricted Units, beginning of period	294,254	322,411
Granted	98,183	76,450
Released	(82,002)	(104,607)
Restricted Units, end of period	310,435	294,254

For the three months ended March 31, 2024, Allied recorded a unit-based compensation expense of \$1,191, (March 31, 2023 - \$1,385) in general and administrative expense in the Unaudited Condensed Consolidated Statements of Loss and Comprehensive Loss.

(c) *Performance and Restricted Trust Unit Plan*

In December 2021, Allied adopted a cash settled performance and restricted trust unit plan (the “PTU/RTU Plan”) whereby performance trust units and/or restricted trust units (together, “Plan Units”) are granted to certain employees at the discretion of the Board. Plan Units are subject to such vesting, settlement, performance criteria and adjustment factors as are established by the Board at the time of the grant and accumulate distribution equivalents in the form of additional Plan Units. The PTU/RTU Plan contains provisions providing for the vesting or forfeiture of unvested Plan Units within specified time periods in the event the employee’s employment is terminated, and authorizes the Chief Executive Officer, in their discretion, to amend the vesting and settlement of Plan Units in certain circumstances where an employee’s employment is terminated. The following is a summary of the activity of Allied’s PTU/RTU Plan:

	THREE MONTHS ENDED	YEAR ENDED
	MARCH 31, 2024	DECEMBER 31, 2023
Plan Units, beginning of period	371,277	179,193
Granted	252,773	170,461
Settled	(55,648)	(7,274)
Distribution equivalents	17,409	28,897
Plan Units, end of period	585,811	371,277

For the three months ended March 31, 2024, Allied recorded a unit-based compensation expense of \$1,188 (March 31, 2023 - \$371), including the mark-to-market adjustment, in general and administrative expense in the Unaudited Condensed Consolidated Statements of Loss and Comprehensive Loss. During the three months ended March 31, 2024, 55,648 Plan Units vested (March 31, 2023 - 743 Plan Units vested) and 43,597 Plan Units were settled in cash resulting in a decrease of \$1,009 (March 31, 2023 - \$18) to the unit-based compensation liabilities. The remaining 12,051 vested Plan Units will be settled in cash in April 2024.

19. RENTAL REVENUE

Rental revenue includes the following:

	THREE MONTHS ENDED	
	MARCH 31, 2024	MARCH 31, 2023
Rental revenue ⁽¹⁾	\$66,581	\$66,757
Tax and insurance recoveries	28,676	27,966
Miscellaneous revenue ⁽²⁾	7,952	5,496
Operating cost recoveries	40,368	38,271
Total rental revenue	\$143,577	\$138,490

(1) Includes straight-line rent, amortization of tenant improvements and parking revenue earned at properties.

(2) Includes transient parking, percentage rent, lease terminations and other miscellaneous items.

Future minimum rental income from continuing operations is as follows:

	REMAINING 2024	2025	2026	2027	2028	THEREAFTER	TOTAL
Future minimum rental income	\$225,374	\$286,527	\$256,958	\$224,136	\$193,832	\$809,094	\$1,995,921

20. GENERAL AND ADMINISTRATIVE EXPENSES

	THREE MONTHS ENDED	
	MARCH 31, 2024	MARCH 31, 2023
Salaries and benefits	\$5,155	\$5,245
Professional and trustee fees	2,350	2,297
Office and general expenses	1,427	1,417
	\$8,932	\$8,959
Capitalized to qualifying investment properties	(2,434)	(2,789)
Total general and administrative expenses	\$6,498	\$6,170

21. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents include the following components:

	MARCH 31, 2024	DECEMBER 31, 2023
Cash	\$12,991	\$51,366
Short-term deposits	—	159,703
Total cash and cash equivalents	\$12,991	\$211,069

The following summarizes supplemental cash flow information in operating activities:

	THREE MONTHS ENDED	
	MARCH 31, 2024	MARCH 31, 2023
Supplemental		
Interest paid on debt (including capitalized interest and financing prepayment costs (note 12))	\$49,851	\$46,690

The following summarizes the change in non-cash operating items:

	THREE MONTHS ENDED	
	MARCH 31, 2024	MARCH 31, 2023
Net change in accounts receivable, prepaid expenses and deposits	\$(20,256)	\$(25,982)
Net change in loans and notes receivable	(30,866)	(15,574)
Net change in accounts payable and other liabilities	(87,231)	9,122
Other working capital changes	114,231	19,998
Change in non-cash operating items	\$(24,122)	\$(12,436)

22. JOINT OPERATIONS

Allied has investments in properties under joint arrangements which are accounted for as joint operations. The following tables summarize Allied's ownership interests in joint operations and its share of the rights to the assets, its share of the obligations with respect to liabilities, and its share of revenues and expenses for the joint operations in which it participates.

Allied's joint arrangements are governed by agreements with the respective co-owners. Included within the agreements are standard exit and transfer provisions that include, but are not limited to, buy/sell and/or right of first offers or refusals that provide for unwinding the arrangement. Allied is liable for its proportionate share of the obligations of the arrangement. In the event that there is default on payment by the co-owner, credit risk is typically mitigated with an option to remedy any non-performance by the defaulting co-owner, as well as recourse against the asset, whereby claims would be against both the underlying real estate investments and the co-owner in default.

PROPERTIES	LOCATION	CURRENT STATUS	OWNERSHIP	
			MARCH 31, 2024	DECEMBER 31, 2023
642 King W	Toronto, ON	Rental Property	50%	50%
Adelaide & Duncan	Toronto, ON	Rental Property and Property Under Development	50%	50%
Breithaupt Block	Kitchener, ON	Rental Property	50%	50%
College & Manning	Toronto, ON	Rental Property	50%	50%
College & Palmerston	Toronto, ON	Rental Property	50%	50%
KING Toronto	Toronto, ON	Property Under Development and Residential Inventory	50%	50%
King Portland Centre	Toronto, ON	Rental Property	50%	50%
The Well	Toronto, ON	Rental Property and Property Under Development	50%	50%
108 East 5th Avenue	Vancouver, BC	Property Under Development	50%	50%
175 Bloor Street E	Toronto, ON	Rental Property	50%	50%
110 Yonge Street	Toronto, ON	Rental Property	50%	50%
			MARCH 31, 2024	DECEMBER 31, 2023
Total assets			\$2,111,673	\$2,071,022
Total liabilities			\$729,147	\$709,396

	THREE MONTHS ENDED	
	MARCH 31, 2024	MARCH 31, 2023
Revenue	\$24,055	\$14,761
Expenses	(11,636)	(5,813)
Income before fair value adjustment on investment properties	\$12,419	\$8,948
Fair value (loss) gain on investment properties	(31,195)	18,423
Net (loss) income	\$(18,776)	\$27,371

23. SEGMENTED INFORMATION

IFRS 8, *Operating Segments*, requires reportable segments to be determined based on internal reports that are regularly reviewed by the chief operating decision maker (“CODM”) for the purpose of allocating resources to the segment and assessing its performance. Allied has determined that its CODM is the Chief Executive Officer. Allied’s operating segments are managed by use of properties and cities. The urban office properties are managed by geographic location consisting of four groups of cities.

The CODM measures and evaluates the performance of Allied’s operating segments based on operating income.

Management reviews assets and liabilities on a total basis and therefore assets and liabilities are not included in the segmented information below. All revenue is generated in Canada and all assets and liabilities are located in Canada.

Allied does not allocate interest expense to segments as debt is viewed by Management to be used for the purpose of acquisitions, development and improvement of all the properties. Similarly, interest income, general and administrative expenses, condominium marketing expenses, amortization of other assets, transaction costs, net loss from joint venture, fair value gain (loss) on investment properties and investment properties held for sale, fair value gain (loss) on Exchangeable LP units, fair value gain (loss) derivative instruments and impairment of residential inventory are not allocated to operating segments.

The Urban Data Centre segment was classified as discontinued operations (note 6) and is therefore excluded from the following tables, which present a reconciliation of operating income to net loss from continuing operations for the three months ended March 31, 2024 and 2023.

SEGMENTED UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF LOSS FROM CONTINUING OPERATIONS

THREE MONTHS ENDED MARCH 31, 2024	MONTRÉAL & OTTAWA	TORONTO & KITCHENER	CALGARY & EDMONTON ⁽¹⁾	VANCOUVER	JOINT VENTURE (TELUS SKY) ⁽²⁾	TOTAL
Rental revenue	\$54,155	\$69,621	\$9,784	\$12,072	\$(2,055)	\$143,577
Property operating costs	(28,066)	(28,422)	(5,595)	(4,468)	1,445	(65,106)
Operating income	\$26,089	\$41,199	\$4,189	\$7,604	\$(610)	\$78,471
Interest income						14,759
Interest expense						(23,431)
General and administrative expenses						(6,498)
Condominium marketing expenses						(35)
Amortization of other assets						(378)
Net income from joint venture						752
Fair value loss on investment properties and investment properties held for sale						(119,192)
Fair value gain on Exchangeable LP Units						29,641
Fair value gain on derivative instruments						7,148
Net loss from continuing operations						\$(18,763)

(1) Includes Allied's proportionate share of revenue and expenses of its investment in TELUS Sky.

(2) This is an adjustment to remove the impact of the TELUS Sky joint venture from the Calgary and Edmonton results, to arrive at the equity method of accounting.

THREE MONTHS ENDED MARCH 31, 2023	MONTRÉAL & OTTAWA	TORONTO & KITCHENER	CALGARY & EDMONTON ⁽¹⁾	VANCOUVER	JOINT VENTURE (TELUS SKY) ⁽²⁾	TOTAL
Rental revenue	\$53,900	\$62,768	\$10,757	\$13,123	\$(2,058)	\$138,490
Property operating costs	(27,870)	(24,176)	(5,692)	(4,636)	1,049	(61,325)
Operating income	\$26,030	\$38,592	\$5,065	\$8,487	\$(1,009)	\$77,165
Interest income						9,744
Interest expense						(22,564)
General and administrative expenses						(6,170)
Condominium marketing expenses						(120)
Amortization of other assets						(370)
Net loss from joint venture						(3,006)
Fair value loss on investment properties and investment properties held for sale						(78,357)
Fair value loss on derivative instruments						(8,024)
Net loss from continuing operations						\$(31,702)

(1) Includes Allied's proportionate share of revenue and expenses of its investment in TELUS Sky.

(2) This is an adjustment to remove the impact of the TELUS Sky joint venture from the Calgary and Edmonton results, to arrive at the equity method of accounting.

24. INCOME TAXES

Allied qualifies as a Real Estate Investment Trust and Mutual Fund Trust for income tax purposes. Pursuant to its Declaration of Trust, it also distributes or designates substantially all of its taxable income to Unitholders and deducts such distributions or designations for income tax purposes. Accordingly, there is no entity level tax and no provision for current and deferred income taxes in the financial statements. Income tax obligations relating to distributions of Allied are the obligations of the Unitholders.

25. RELATED PARTY TRANSACTIONS

Allied's related parties include its subsidiaries, nominee corporations, Allied Properties Management Trust, Allied Properties Management Limited Partnership, Allied Properties Management GP Limited, Allied Properties Exchangeable Limited Partnership, Allied Properties Exchangeable GP Inc., the TELUS Sky joint venture, key management personnel and their close family members.

As of May 2, 2023, Allied engaged a private company controlled by a trustee to provide consulting services. For the three months ended March 31, 2024, Allied incurred \$264 (March 31, 2023 - \$nil).

As at March 31, 2024, the loan to the TELUS Sky joint venture has a balance outstanding of \$93,291 (December 31, 2023 - \$93,291) (see note 8).

The transactions are in the normal course of operations and were measured at the amount set out in agreement between the respective related parties. Related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

Key management personnel are comprised of the Board and certain members of the executive team who have the authority and responsibility for planning, directing, and controlling the activities of Allied, directly or indirectly. The compensation for key management personnel are summarized in the table below:

	THREE MONTHS ENDED	
	MARCH 31, 2024	MARCH 31, 2023
Salary, bonus and other short-term employee benefits	\$1,101	\$1,099
Unit-based compensation	1,449	1,589
Total	\$2,550	\$2,688

26. RISK MANAGEMENT

(a) *Capital management*

Allied defines capital as the aggregate of equity, Exchangeable LP Units, mortgages payable, construction loans payable, Unsecured Facility, Unsecured Debentures, Unsecured Term Loans and lease liabilities. Allied manages its capital to comply with investment and debt restrictions pursuant to the Declaration of Trust, to comply with debt covenants, to ensure sufficient operating funds are available to fund business strategies, to fund leasing and capital expenditures, to fund acquisitions and development activities of properties, and to provide stable and growing cash distributions to Unitholders.

Various debt, equity and earnings distributions ratios are used to monitor capital adequacy requirements. For debt management, debt to gross book value and fair value, debt average term to maturity, and variable debt as a percentage of debt are the primary ratios used in capital management. The Declaration of Trust requires Allied to maintain debt to gross book value, as defined by the Declaration of Trust, of less than 60% (65% including convertible debentures, if any). As at March 31, 2024, the debt to gross book value ratio was 35.9% (December 31, 2023 - 34.7%).

Allied has certain key financial covenants in its Unsecured Debentures, Unsecured Facility and Unsecured Term Loans. The key financial covenants include debt service ratios and leverage ratios, as defined in the respective agreements. These ratios are evaluated by Allied on an ongoing basis to ensure compliance with the agreements. Allied was in compliance with each of the key financial covenants under these agreements as at March 31, 2024.

(b) *Market risk*

Market risk is the risk that the fair value or future cash flow of financial instruments will fluctuate because of changes in market prices. Allied is exposed to interest rate risk on its borrowings. All of Allied's mortgages payable as at March 31, 2024, are at fixed interest rates and are not exposed to changes in interest rates during the term of the debt. However, there is interest rate risk associated with Allied's fixed interest rate term debt due to the expected requirement to refinance such debts upon maturity. As fixed rate debt matures and as Allied utilizes additional floating rate debt under the Unsecured Facility, Allied will be further exposed to changes in interest rates. As at March 31, 2024, the Unsecured Facility, which is at a floating interest rate and is exposed to changes in interest rates, had a balance outstanding of \$51,095 (December 31, 2023 - \$nil). Also, Allied has construction loans payable, of which \$276,977 (December 31, 2023 - \$267,951) is subject to floating interest rates and is exposed to changes in interest rates. In addition, there is a risk that interest rates will fluctuate from the date Allied commits to a debt to the date the interest rate is set with the lender. As part of its risk management program, Allied endeavours to maintain an appropriate mix of fixed rate and floating rate debt, to stagger the maturities of its debt and to minimize the time between committing to a debt and the date the interest rate is set with the lender.

The following table illustrates the annualized sensitivity of income and equity to a reasonably possible change in interest rates of +/- 1.0%. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. This includes mortgages payable due within one year which have a fixed rate as at the reporting date, but are subject to interest rate risk upon refinancing. All other variables are held constant.

AS AT MARCH 31, 2024	CARRYING AMOUNT	-1.0% INCOME IMPACT	+1.0% INCOME IMPACT
Construction loans payable ⁽¹⁾	\$276,977	\$2,770	\$(2,770)
Mortgages payable due within one year	\$53,928	\$539	\$(539)

(1) Includes variable rate construction loans of \$157,905 due within one year.

(c) *Unit price risk*

Unit price risk arises from the unit-based compensation liabilities and Exchangeable LP Units which are recorded at fair value at each quarter-end date. Allied's unit-based compensation liabilities and Exchangeable LP Units negatively impact net (loss) income and comprehensive (loss) income when the Unit price rises and positively impact net income (loss) and comprehensive income (loss) when the Unit price declines.

The following table illustrates the sensitivity of net income (loss) and comprehensive income (loss) and equity to a reasonably possible change in Unit price of +/- \$1.00. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the Unit price for each period, and the financial instruments held at each reporting date that are sensitive to changes in the Unit price. All other variables are held constant.

AS AT MARCH 31, 2024	CARRYING AMOUNT	-\$1.00 INCOME IMPACT	+\$1.00 INCOME IMPACT
Unit-based compensation liabilities	\$2,115	\$586	\$(586)
Exchangeable LP Units	\$208,668	\$11,809	\$(11,809)

(d) *Credit risk*

As Allied has provided loans and advances to facilitate property development, further credit risks arise in the event that borrowers default on the repayment of their amounts owing to Allied. Allied's loans and advances will be subordinate to prior ranking mortgages or charges. As at March 31, 2024, Allied had \$540,570 outstanding in loans receivable (December 31, 2023 - \$509,697) and \$93,291 outstanding in joint venture loan receivable (December 31, 2023 - \$93,291). In the event of a large commercial real estate market correction, the fair market value of an underlying property may be unable to support the loan value. Allied mitigates this risk by obtaining corporate guarantees and/or registered mortgage charges and assignment of leases, performing credit checks on potential borrowers, monitoring the financial and operating performance of borrowers, monitoring the status of development projects and ensuring interest payments are made on time. The expected credit losses estimated by Management, giving consideration to the factors above, as at March 31, 2024, are \$nil (December 31, 2023 - \$nil) (note 9).

Credit risk from user receivables arises from the possibility that users may experience financial difficulty and be unable to fulfill their lease commitments, resulting in Allied incurring a financial loss. Allied manages credit risk to mitigate exposure to financial loss by staggering lease maturities, diversifying revenue sources over a large user base, ensuring no individual user contributes a significant portion of Allied's revenues and conducting credit reviews of new users. The expected credit losses estimated by Management at March 31, 2024, are \$11,472 (December 31, 2023 - \$11,722) (note 11 (a)).

Allied considers that all the financial assets that are not impaired or past due for each of the reporting dates under review are of good quality. The carrying amount of accounts receivable best represents Allied's maximum exposure to credit risk. None of Allied's financial assets are secured by collateral or other credit enhancements.

An aging of trade receivables, including trade receivables past due but not impaired can be shown as follows:

	MARCH 31, 2024	DECEMBER 31, 2023
Less than 30 days	\$2,087	\$1,702
30 to 60 days	1,081	1,318
More than 60 days	13,820	14,047
Total	\$16,988	\$17,067

(e) *Liquidity risk*

Liquidity risk arises from the possibility of not having sufficient capital available to fund ongoing operations or the ability to refinance or meet obligations as they come due. Mitigation of liquidity risk is also managed through credit risk as discussed above. A portion of Allied's assets have been pledged as security under the related mortgages and other security agreements. Contractual interest rates on the mortgages payable are between 2.77% and 4.29% for March 31, 2024 (December 31, 2023 - 2.77% and 4.29%).

Allied entered into interest rate derivative contracts to limit its exposure to fluctuations in interest rates on \$650,000 of its variable rate unsecured term loans and \$39,525 of its construction loans (December 31, 2023 - \$650,000 and \$39,062, respectively). Allied does not have any variable rate mortgages. Gains or losses arising from the change in fair values of the interest rate derivative contracts are recognized in the Unaudited Condensed Consolidated Statements of Loss and Comprehensive Loss. For the three months ended March 31, 2024, Allied recognized as part of the change in fair value adjustment on derivative instruments a fair value gain of \$7,148 (March 31, 2023 - fair value loss of \$8,024).

Liquidity and capital availability risks are mitigated by maintaining appropriate levels of liquidity, diversifying Allied's sources of funding, maintaining a well-staggered debt maturity profile and actively monitoring market conditions.

(f) *Maturity analysis*

The undiscounted future principal and interest payments on Allied's debt instruments are as follows:

	REMAINING 2024	2025	2026	2027	2028	THEREAFTER	TOTAL
Mortgages payable	\$50,789	\$8,625	\$23,982	\$1,870	\$15,875	\$21,811	\$122,952
Construction loans payable	115,152	224,320	—	—	—	—	339,472
Unsecured Facility	2,597	3,448	3,448	51,314	—	—	60,807
Unsecured Debentures	50,245	270,849	662,035	352,188	342,822	1,283,047	2,961,186
Unsecured Term Loans	21,189	424,521	250,359	—	—	—	696,069
Total	\$239,972	\$931,763	\$939,824	\$405,372	\$358,697	\$1,304,858	\$4,180,486

27. COMMITMENTS AND CONTINGENCIES

Allied has entered into commitments relating to development and upgrade activity. The commitments as at March 31, 2024, excluding the amount held within equity accounted investments and committed acquisitions, were \$140,524 (December 31, 2023 - \$168,071).

Commitments as at March 31, 2024, of \$373 (December 31, 2023 - \$406) were held within equity accounted investments.

As at March 31, 2024, Allied committed to acquire a 90% ownership interest in 400 West Georgia Street in Vancouver and an incremental 45% ownership interest in Adelaide & Duncan in Toronto. As part of these acquisitions, Allied committed to converting its loan to Westbank on 400 West Georgia into equity positions in each of 400 West Georgia and Adelaide & Duncan, assuming related debt and making a cash payment to Westbank of approximately \$36,300. Both acquisitions closed on April 1, 2024. As at December 31, 2023, there were no committed acquisitions.

Allied is subject to legal and other claims in the normal course of business. Management and legal counsel evaluate all claims. In the opinion of Management these claims are generally covered by Allied's insurance policies and any liability from such remaining claims are not probable to occur and would not have a material effect on the unaudited condensed consolidated financial statements.

Allied, through a financial intermediary, has issued letters of credit in the amount of \$40,848 as at March 31, 2024 (December 31, 2023 - \$23,226).

28. SUBSEQUENT EVENTS

On April 1, 2024, Allied completed the purchase of a 90% ownership interest in 400 West Georgia Street in Vancouver and increased its ownership interest from 50% to 95% in Adelaide & Duncan in Toronto for a total purchase price of \$592,059.

On April 8, 2024, Allied committed to dispose two investment properties held for sale in Montréal for a total purchase price of \$32,500, subject to customary closing conditions. Closing is expected by the end of the second quarter in 2024.

Corporate Profile

About Us

Allied is a leading owner-operator of distinctive urban workspace in Canada's major cities. Allied's mission is to provide knowledge-based organizations with workspace that is sustainable and conducive to human wellness, creativity, connectivity and diversity. Allied's vision is to make a continuous contribution to cities and culture that elevates and inspires the humanity in all people.

Board of Trustees

Matthew Andrade ⁽¹⁾⁽²⁾ Michael Emory ⁽³⁾

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(4) *Lead Trustee*