ALLIED

Annual Report
December 31, 2024

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Contents

Management's Discussion and Analysis of Results of Operations and Financial Condition as at December 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 year ended December 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 February 4, 2025, and should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 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 IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and includes certain forward-looking statements within the meaning of applicable securities law. Refer to Non-GAAP Measures and Forward-Looking Statements on pages 17 and 23, 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		
	DECEMBER 31, 2024	DECEMBER 31, 2023	**DECEMBER 31, 2024**	DECEMBER 31, 2023	DECEMBER 31, 2022
Leased area (1)	**87.2%**	87.3%	**87.2%**	87.3%	90.8%
Occupied area (1)	**85.9%**	86.4%	**85.9%**	86.4%	89.6%
Average in-place net rent per occupied square foot (1)	**25.41**	24.10	**25.41**	24.10	23.10
Retention rate (1)(2)	**68.8%**	60.9%	**69.3%**	61.2%	57.9%
Rent increase on renewal (1)	**2.0%**	3.6%	**1.9%**	6.8%	5.6%
Investment properties (3)	**9,448,363**	9,387,032	**9,448,363**	9,387,032	9,669,005
Unencumbered investment properties (4)	**7,817,543**	8,757,510	**7,817,543**	8,757,510	8,345,530
Total assets (3)	**10,603,979**	10,609,285	**10,603,979**	10,609,285	11,906,350
Cost of PUD as % of GBV (4)	**10.1%**	11.6%	**10.1%**	11.6%	12.6%
NAV per unit (5)	**41.25**	45.60	**41.25**	45.60	50.96
Debt (3)	**4,403,375**	3,659,611	**4,403,375**	3,659,611	4,211,185
Total indebtedness ratio (4)	**41.7%**	34.7%	**41.7%**	34.7%	35.6%
Annualized Adjusted EBITDA (4)	**393,404**	410,488	**389,239**	416,019	403,119
Net debt as a multiple of Annualized Adjusted EBITDA (4)	**10.8x**	8.2x	**10.9x**	8.1x	10.4x
Interest coverage ratio including interest capitalized and excluding financing prepayment costs - three months trailing (4)	**2.3x**	2.9x	**2.3x**	2.9x	2.8x
Interest coverage ratio including interest capitalized and excluding financing prepayment costs - twelve months trailing (4)	**2.4x**	2.5x	**2.4x**	2.5x	3.0x
Rental revenue (3)(6)	**155,120**	150,898	**592,040**	563,980	519,468
Property operating costs (3)(6)	**(70,737)**	(69,029)	**(263,566)**	(246,949)	(224,260)
Operating income (3)(6)	**84,383**	81,869	**328,474**	317,031	295,208
Net (loss) income and comprehensive (loss) income (3)	**(257,652)**	(499,340)	**(342,530)**	(420,716)	375,363
Net (loss) income and comprehensive (loss) income from continuing operations (3)	**(257,652)**	(499,340)	**(342,530)**	(545,707)	174,669
Net income from continuing operations excluding fair value adjustments, transaction costs, financing prepayment costs and impairment (7)	**56,694**	49,239	**233,307**	221,833	225,118
Adjusted EBITDA (4)	**98,351**	102,622	**389,239**	416,019	403,119

($000's except per-square foot, per-unit and financial ratios)	THREE MONTHS ENDED DECEMBER 31, 2024	THREE MONTHS ENDED DECEMBER 31, 2023	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023	YEAR ENDED DECEMBER 31, 2022
Same Asset NOI - rental portfolio (7)(9)	**74,128**	74,584	**283,893**	291,325	N/A
Same Asset NOI - total portfolio (4)(9)	**82,446**	81,287	**328,638**	321,500	N/A
FFO (4)	**72,395**	85,460	**303,278**	332,578	334,477
FFO per unit (diluted) (4)	**0.518**	0.611	**2.170**	2.380	2.443
FFO pay-out ratio (4)(8)	**86.9%**	73.6%	**83.0%**	75.6%	71.6%
All amounts below are excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation (4)**:**					
FFO	**74,747**	85,765	**303,806**	332,622	333,392
FFO per unit (diluted)	**0.535**	0.614	**2.174**	2.380	2.435
FFO payout-ratio (8)	**84.1%**	73.3%	**82.8%**	75.6%	71.8%
AFFO	**66,626**	78,611	**273,434**	304,225	297,579
AFFO per unit (diluted)	**0.477**	0.562	**1.956**	2.177	2.174
AFFO payout-ratio (8)	**94.4%**	80.0%	**92.0%**	82.7%	80.4%

(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 51 for further details.

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

(4) This is a non-GAAP measure, as defined on page 17. 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 17. These non-GAAP measures include only the results of the continuing operations.

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

(9) The Same Asset NOI for the year ended December 31, 2022, is not applicable as the composition of properties is different from the years ended December 31, 2023 and 2024.

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.

Q4 2024 Operating Results [1]

LEASED AREA

87.2%

OCCUPIED AREA

85.9%

AVERAGE IN-PLACE NET RENT PER OCCUPIED SQUARE FOOT

$25.41

2023: $24.10

↑ 5.4%

from Q4 2023

RENT INCREASE ON RENEWAL

2.0%

WEIGHTED AVERAGE REMAINING LEASE TERM IN YEARS

5.6

Q4 2024 Financial Results

SAME ASSET NOI - RENTAL PORTFOLIO [2]

↓ 0.6%

from Q4 2023

FFO PER UNIT [3]

$0.535

↓ 12.9%

from Q4 2023

AFFO PER UNIT [3]

$0.477

↓ 15.1%

from Q4 2023

Q4 2024 Balance Sheet

LIQUIDITY [4]

$863.4M

$963.4M including accordion

UNENCUMBERED INVESTMENT PROPERTIES [3]

$7.8B

82.7% of investment properties on a proportionate basis [2]

NET DEBT AS A MULTIPLE OF ANNUALIZED ADJUSTED EBITDA [3]

10.8x

TOTAL INDEBTEDNESS RATIO [3]

41.7%

INTEREST COVERAGE RATIO [3][5]

2.3x

ESG Results [6]

2024 GRESB SCORE FOR STANDING INVESTMENTS

84/100

Down from 85/100 in 2023

2024 GRESB SCORE FOR DEVELOPMENT

86/100

Down from 87/100 in 2023

2023 ENERGY USE INTENSITY (EUI)

↓ 7%
from 2022

↓ 19%
from 2019 baseline

2023 GREENHOUSE GAS INTENSITY (GHGI)

↓ 7%
from 2022

↓ 17%
from 2019 baseline

2023 WATER USE INTENSITY (WUI)

↑ 2%
from 2022

↓ 30%
from 2019 baseline

2023 WASTE DIVERSION

↑ 8%
from 2022

↑ 10%
from 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 17. Same Asset NOI - rental portfolio includes only the results of continuing operations and excludes the assets held for sale.*

(3) *This is a non-GAAP measure, as defined on page 17. These non-GAAP measures include the results of the continuing operations and the discontinued operations. The FFO per unit and AFFO per unit exclude 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 December 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 2023 Environmental, Social and Governance Report published on June 10, 2024, available on www.alliedreit.com.*

SUMMARY OF RENTAL PROPERTIES

186 Rental Properties valued at $8.6B

(Not including Properties Under Development valued at $0.8B and Investment Properties Held for Sale valued at $0.3B)

TOTAL RENTAL PORTFOLIO GLA [2]

14.3M SF

VANCOUVER

1.3M SF

ALLIED LEASED	87.8%
ALLIED OCCUPANCY	83.4%
MARKET OCCUPANCY [1]	90.8%
PROPERTIES	13
EMPLOYEES	21

MONTRÉAL

6.0M SF

ALLIED LEASED	88.5%
ALLIED OCCUPANCY	87.2%
MARKET OCCUPANCY [1]	84.6%
PROPERTIES	26
EMPLOYEES	78

CALGARY

1.2M SF

ALLIED LEASED	80.9%
ALLIED OCCUPANCY	80.9%
MARKET OCCUPANCY [1]	75.1%
PROPERTIES	30
EMPLOYEES	29

TORONTO

5.2M SF

ALLIED LEASED	87.8%
ALLIED OCCUPANCY	87.1%
MARKET OCCUPANCY [1]	78.6%
PROPERTIES	100
ANCILLARY PARKING FACILITIES	10
EMPLOYEES	220

KITCHENER

0.7M SF

ALLIED LEASED	80.4%
ALLIED OCCUPANCY	79.6%
MARKET OCCUPANCY [1]	59.7%
PROPERTIES	6
ANCILLARY PARKING FACILITY	1
EMPLOYEES	3

(1) *Source: cbre.ca, CBRE Office Figures reports.*
(2) *Excludes 572 suites in Allied's rental-residential portfolio.*

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 continues to experience steady demand for urban workspace, urban rental-residential space and urban amenity space, as well as strong and quantifiable engagement among users of space in the Allied portfolio 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 all Allied employees.

In June 2024, Allied published its 2023 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.

NET ZERO CARBON PATHWAY

Allied has committed to set near- and long-term greenhouse gas ("GHG") emissions reduction targets in line with the Science-Based Targets initiative ("SBTi") and a 1.5°C decarbonization pathway. These targets will apply to both the rental and development portfolios. Allied will submit its targets for validation by the SBTi in the first half of 2025 and will disclose them once they have been validated.

ESG HIGHLIGHTS

Committed to Set Science-Based Emissions Reduction Targets

Allied has committed to set near- and long-term GHG emissions reduction targets, in line with the SBTi and a 1.5°C decarbonization pathway.

Outperformed 2024 Targets (1)

Allied's 2023 environmental performance metrics continued to exceed its 2024 reduction targets for Energy Use Intensity (EUI), Greenhouse Gas Intensity (GHGI) and Water Use Intensity (WUI).

Received global recognition for ESG performance

Allied was recently recognized in 2025 as one of Sustainalytics' ESG Top-Rated Companies.

In its 2024 GRESB assessment, Allied achieved a score of 84 for its standing investments and a score of 86 for its developments. Allied remains at or above the GRESB average for both scores, five points above the peer average for standing investments and two points below the peer average for developments.

Achieved Green Financing Performance Target

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 has 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). The second sustainability performance target, which is a green building certification, is to be assessed upon completion of the building.

Increased Portfolio Certification from 27% to 41%

In 2023, Allied increased the percentage of its portfolio certified to LEED and/or BOMA BEST from 27% in 2022 to 41% in 2023, with an aim to certify 70% of its portfolio by 2028.

Advanced commitment to Equity, Diversity and Inclusion ("EDI")

Allied completed its inaugural EDI Roadmap in 2023 and developed its second EDI Roadmap in 2024. Feedback from Allied's User Experience Assessment indicated that 91% of users are satisfied with its commitment to EDI.

Supported over 1,500 Artists

In 2023, Allied provided affordable workspace for over 1,500 artists in Calgary, Toronto and Montréal.

Outperformed Peers in User Experience Assessment Ratings Score

Sustained focus on user experience has led to an increase in Allied's Net Promoter Score (3) by 30% compared to 2023, achieving 150% higher than the industry average in 2024.

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.

(1) *These metrics are based on Allied's 2023 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 2SLGBTQQIA+ community, veterans, youth aged 29 and under, and people who identify as having experienced barriers to economic opportunity and participation.*
(3) *Net Promoter Score is a widely-used metric to measure user satisfaction and loyalty.*

BUSINESS ENVIRONMENT AND OUTLOOK

Utilization of, and demand for, Allied's workspace continued to strengthen in the fourth quarter. Allied is experiencing steady demand for urban workspace, urban rental-residential space and urban amenity space, as well as strong and quantifiable engagement among users of space in its portfolio generally. Management expects this to underpin growth in same-asset NOI in 2025 of approximately 2%. With the higher overall interest cost flowing from the 2024 acquisitions, Management expects FFO and AFFO per unit to contract in 2025 by approximately 4%.

Allied's specific operating goals for year-end 2025 are as follows:

(i) to have reached occupied and leased area of at least 90%;

(ii) to have sold lower-yielding, non-core properties, primarily in Montréal, Calgary, Edmonton and Vancouver, for at least $300 million and at or above IFRS value, with allocation of proceeds to debt repayment;

(iii) to have fully monetized its loan receivable secured by 150 West Georgia Street in Vancouver with allocation of proceeds to debt repayment; and

(iv) to have net debt as a multiple of annualized adjusted EBITDA below 10x, despite an expected temporary increase in the first quarter of 2025.

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, the 7th Avenue Sky Partnership (the "TELUS Sky Partnership"), 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 in REALPAC's "Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO) for IFRS" issued in January 2022. 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
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 in REALPAC's "Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO) for IFRS" issued in January 2022. 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

NON-GAAP MEASURE	DEFINITION	RECONCILIATION
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
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

NON-GAAP MEASURE	DEFINITION	RECONCILIATION
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	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. Management believes unencumbered investment properties is a useful measure to assess the borrowing capacity of Allied.	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
Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") **and** **Annualized Adjusted EBITDA**	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. Annualized Adjusted EBITDA is a non-GAAP measure calculated as the Adjusted EBITDA for the current period annualized. 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.	Section II - Operations - Other Financial Performance Measures
Net debt	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.	Section VI - Liquidity and Capital Resources - Debt
Net debt as a multiple of Annualized Adjusted EBITDA	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.	N/A
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**	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. These payout ratios are calculated by dividing the actual distributions declared (excluding any special distributions declared in cash or Units) by FFO, AFFO and FFO and AFFO excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation in a given period. Management considers these metrics a useful way to evaluate Allied's distribution paying capacity.	N/A

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**	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. 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. Interest coverage ratio including interest capitalized is defined as Adjusted EBITDA divided by interest expense with interest capitalized included. 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. Management considers these metrics useful as they indicate Allied's ability to meet its interest cost obligations.	N/A
Total Indebtedness Ratio **or** **Total Debt Ratio**	Total indebtedness ratio or total debt 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.	Section V - Asset Profile

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 "forecast", "goals", "outlook", "may", "will", "expect", "estimate", "anticipate", "intends", "believe", "assume", "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 II - Operations, under the heading "Other Financial Performance Measures", 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 sale of non-core properties in its portfolio; 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; completion of construction and lease-up in connection with Properties Under Development ("PUDs"); the creation of future value; estimated gross leasable area ("GLA"), estimated NOI and growth from PUDs; estimated costs of PUDs; estimated gross proceeds from the sale of residential inventory; future economic occupancy; yield on cost of PUDs; 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 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 joint arrangements and partnerships, financing and interest rates, access to capital, general economic conditions, development and construction, lease roll-over, 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 there is continued demand for development 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 II - Operations, 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 February 4, 2025, 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 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 and years ended December 31, 2024, and December 31, 2023, as defined on page 17.

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 and years ended December 31, 2024, and December 31, 2023, as defined on page 17.

	THREE MONTHS ENDED					
	DECEMBER 31, 2024			DECEMBER 31, 2023		
	IFRS BASIS	INVESTMENT IN JOINT VENTURE	PROPORTIONATE BASIS	IFRS BASIS	INVESTMENT IN JOINT VENTURE	PROPORTIONATE BASIS
Continuing operations						
Rental revenue	**$155,120**	**$2,064**	**$157,184**	$150,898	$1,997	$152,895
Property operating costs	**(70,737)**	**(1,246)**	**(71,983)**	(69,029)	(1,094)	(70,123)
Operating income	**$84,383**	**$818**	**$85,201**	$81,869	$903	$82,772
Interest income	**10,393**	**14**	**10,407**	18,749	5	18,754
Interest expense	**(31,743)**	**—**	**(31,743)**	(30,265)	—	(30,265)
General and administrative expenses	**(8,374)**	**—**	**(8,374)**	(6,729)	—	(6,729)
Condominium marketing expenses	**(17)**	**—**	**(17)**	(89)	—	(89)
Amortization of other assets	**(388)**	**(43)**	**(431)**	(381)	—	(381)
Transaction costs	**(1,586)**	**(80)**	**(1,666)**	(167)	—	(167)
Net income (loss) from joint venture	**105**	**(105)**	**—**	(14,131)	14,131	—
Fair value loss on investment properties and investment properties held for sale	**(346,035)**	**(604)**	**(346,639)**	(494,571)	(15,039)	(509,610)
Fair value gain (loss) on Exchangeable LP Units	**36,254**	**—**	**36,254**	(26,571)	—	(26,571)
Fair value loss on derivative instruments	**(644)**	**—**	**(644)**	(27,054)	—	(27,054)
Net loss and comprehensive loss from continuing operations	**$(257,652)**	**$—**	**$(257,652)**	$(499,340)	$—	$(499,340)
Net loss and comprehensive loss from discontinued operations	**$—**	**$—**	**$—**	$—	$—	$—
Net loss and comprehensive loss	**$(257,652)**	**$—**	**$(257,652)**	$(499,340)	$—	$(499,340)

	THREE MONTHS ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023
Net loss and comprehensive loss from continuing operations	**$(257,652)**	$(499,340)
Fair value loss on investment properties and investment properties held for sale	**346,035**	494,571
Fair value (gain) loss on Exchangeable LP Units	**(36,254)**	26,571
Fair value loss on derivative instruments	**644**	27,054
Mark-to-market adjustment on unit-based compensation	**1,834**	216
Transaction costs	**1,586**	167
Financing prepayment costs	**501**	—
Impairment of residential inventory	**—**	—
Net income from continuing operations excluding fair value adjustments, transaction costs, financing prepayment costs and impairment	**$56,694**	$49,239

On an IFRS basis, operating income from continuing operations for the three months ended December 31, 2024, increased by $2,514 or 3.1%, primarily due to development completions at The Well and QRC West Phase II and contributions from 400 West Georgia and 19 Duncan, partially offset by non-renewals and dispositions.

On an IFRS basis, net loss and comprehensive loss from continuing operations for the three months ended December 31, 2024, decreased by $241,688 or 48.4% from the comparable period in 2023, primarily due to a lower fair value loss on investment properties and investment properties held for sale of $148,536, a higher fair value gain on Exchangeable LP Units of $62,825, a lower fair value loss on derivative investments of $26,410 and higher operating income of $2,514.

	YEAR ENDED					
	DECEMBER 31, 2024			DECEMBER 31, 2023		
	IFRS BASIS	INVESTMENT IN JOINT VENTURE	PROPORTIONATE BASIS	IFRS BASIS	INVESTMENT IN JOINT VENTURE	PROPORTIONATE BASIS
Continuing operations						
Rental revenue	**$592,040**	**$7,716**	**$599,756**	$563,980	$8,452	$572,432
Property operating costs	**(263,566)**	**(5,239)**	**(268,805)**	(246,949)	(4,420)	(251,369)
Operating income	**$328,474**	**$2,477**	**$330,951**	$317,031	$4,032	$321,063
Interest income	**45,069**	**40**	**45,109**	53,605	23	53,628
Interest expense	**(116,467)**	**—**	**(116,467)**	(107,073)	—	(107,073)
General and administrative expenses	**(24,333)**	**—**	**(24,333)**	(23,577)	—	(23,577)
Condominium marketing expenses	**(134)**	**—**	**(134)**	(538)	—	(538)
Amortization of other assets	**(1,538)**	**(204)**	**(1,742)**	(1,499)	—	(1,499)
Transaction costs	**(1,722)**	**(80)**	**(1,802)**	(167)	—	(167)
Net income (loss) from joint venture	**1,842**	**(1,842)**	**—**	(15,622)	15,622	—
Fair value loss on investment properties and investment properties held for sale	**(557,569)**	**(391)**	**(557,960)**	(772,652)	(19,677)	(792,329)
Fair value gain on Exchangeable LP Units	**35,782**	**—**	**35,782**	28,696	—	28,696
Fair value loss on derivative instruments	**(13,675)**	**—**	**(13,675)**	(8,535)	—	(8,535)
Impairment of residential inventory	**(38,259)**	**—**	**(38,259)**	(15,376)	—	(15,376)
Net loss and comprehensive loss from continuing operations	**$(342,530)**	**$—**	**$(342,530)**	$(545,707)	$—	$(545,707)
Discontinued operations (UDC segment)						
Rental revenue	**$—**	**$—**	**$—**	$54,539	$—	$54,539
Property operating costs	**—**	**—**	**—**	(20,718)	—	(20,718)
Operating income	**$—**	**$—**	**$—**	$33,821	$—	$33,821
Interest expense	**—**	**—**	**—**	(4,433)	—	(4,433)
Transaction costs	**—**	**—**	**—**	(13,246)	—	(13,246)
Fair value gain on investment properties held for sale	**—**	**—**	**—**	108,849	—	108,849
Net income and comprehensive income from discontinued operations	**$—**	**$—**	**$—**	$124,991	$—	$124,991
Net loss and comprehensive loss	**$(342,530)**	**$—**	**$(342,530)**	$(420,716)	$—	$(420,716)

	YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023
Net loss and comprehensive loss from continuing operations	**$(342,530)**	$(545,707)
Fair value loss on investment properties and investment properties held for sale	**557,569**	772,652
Fair value gain on Exchangeable LP Units	**(35,782)**	(28,696)
Fair value loss on derivative instruments	**13,675**	8,535
Mark-to-market adjustment on unit-based compensation	**(107)**	(494)
Transaction costs	**1,722**	167
Financing prepayment costs	**501**	—
Impairment of residential inventory	**38,259**	15,376
Net income from continuing operations excluding fair value adjustments, transaction costs, financing prepayment costs and impairment (1)	**$233,307**	$221,833

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

On an IFRS basis, operating income from continuing operations for the year ended December 31, 2024, increased by $11,443 or 3.6%, primarily due to development completions at The Well and QRC West Phase II and contributions from 400 West Georgia and 19 Duncan, partially offset by non-renewals and dispositions.

On an IFRS basis, net loss and comprehensive loss from continuing operations for the year ended December 31, 2024, decreased by $203,177 or 37.2% from the comparable period in 2023 primarily due to a lower fair value loss on investment properties and investment properties held for sale of $215,083, an increase in operating income from continuing operations of $11,443 and a higher fair value gain on Exchangeable LP Units of $7,086, partially offset by a higher impairment of residential inventory of $22,883 and a higher fair value loss on derivative instruments of $5,140.

On an IFRS basis, for the year ended December 31, 2024, operating income from discontinued operations decreased by $33,821 and net income and comprehensive income from discontinued operations decreased by $124,991 from the comparable period in 2023, due to the disposition of the Urban Data Centre ("UDC") portfolio in August 2023.

NET OPERATING INCOME

Allied operated in seven urban markets in 2024 – Montréal, Ottawa, Toronto, Kitchener, Calgary, Edmonton and Vancouver. On December 18, 2024, Allied disposed of its Ottawa properties. For the purpose of analyzing NOI, Allied groups the cities by geographic location.

Allied's portfolio has grown through acquisitions and development activities that have positively contributed to the operating results for the three months and year ended December 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 17.

	THREE MONTHS ENDED		YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023	**DECEMBER 31, 2024**	DECEMBER 31, 2023
Operating income, IFRS basis	**$84,383**	$81,869	**$328,474**	$317,031
Add: investment in joint venture	**818**	903	**2,477**	4,032
Operating income, proportionate basis	**$85,201**	$82,772	**$330,951**	$321,063
Amortization of improvement allowances [(1)(2)]	**9,300**	7,698	**37,753**	31,790
Amortization of straight-line rent [(1)(2)]	**(1,702)**	(3,361)	**(7,600)**	(9,074)
NOI from continuing operations	**$92,799**	$87,109	**$361,104**	$343,779
NOI from discontinued operations	**$—**	$—	**$—**	$33,452
Total NOI	**$92,799**	$87,109	**$361,104**	$377,231

(1) Includes Allied's proportionate share of the equity accounted investment of the following amounts for the three months and year ended December 31, 2024: amortization improvement allowances of $189 and $778, respectively (December 31, 2023 - $169 and $660, respectively), and amortization of straight-line rent of $(38) and $(190), respectively (December 31, 2023 - $(43) and $(190), respectively).

(2) Excludes the Urban Data Centre segment which was classified as a discontinued operation starting in Q4 2022, until its disposition in August 2023. For the three months and year ended December 31, 2023, the UDC segment's amortization of improvement allowances was $nil and $326, respectively, and the amortization of straight-line rent was $nil and $(695), respectively.

The following tables set out the NOI by segment and space type for the three months and years ended December 31, 2024, and 2023.

SEGMENT	THREE MONTHS ENDED				CHANGE	
	DECEMBER 31, 2024		DECEMBER 31, 2023		$	%
Montréal & Ottawa	**$28,804**	**31.0%**	$31,223	35.8%	$(2,419)	(7.7)%
Toronto & Kitchener	**48,090**	**51.9**	42,672	49.0	5,418	12.7
Calgary & Edmonton	**4,209**	**4.5**	4,894	5.6	(685)	(14.0)
Vancouver	**11,696**	**12.6**	8,320	9.6	3,376	40.6
NOI from continuing operations	**$92,799**	**100.0%**	$87,109	100.0%	$5,690	6.5%
NOI from discontinued operations	**$—**	**—%**	$—	—%	$—	—%
Total NOI	**$92,799**	**100.0%**	$87,109	100.0%	$5,690	6.5%

TYPE OF SPACE	THREE MONTHS ENDED				CHANGE	
	DECEMBER 31, 2024		DECEMBER 31, 2023		$	%
Office	**$75,288**	**81.1%**	$70,944	81.4%	$4,344	6.1%
Retail	**11,707**	**12.6**	10,425	12.0	1,282	12.3
Parking	**5,804**	**6.3**	5,740	6.6	64	1.1
NOI from continuing operations	**$92,799**	**100.0%**	$87,109	100.0%	$5,690	6.5%
NOI from discontinued operations	**$—**	**—%**	$—	—%	$—	—%
Total NOI	**$92,799**	**100.0%**	$87,109	100.0%	$5,690	6.5%

The NOI from continuing operations for the three months ended December 31, 2024, increased by $5,690 or 6.5%. This was primarily due to rent commencement from development completions at The Well and QRC West Phase II of $4,150 and contributions from 400 West Georgia and 19 Duncan of $6,064. This was partially offset by non-renewals and dispositions.

SEGMENT	YEAR ENDED DECEMBER 31, 2024		DECEMBER 31, 2023		CHANGE $	%
Montréal & Ottawa	**$117,227**	**32.5%**	$120,640	32.0%	$(3,413)	(2.8)%
Toronto & Kitchener	**184,401**	**51.1**	168,070	44.6	16,331	9.7
Calgary & Edmonton	**18,550**	**5.1**	22,039	5.8	(3,489)	(15.8)
Vancouver	**40,926**	**11.3**	33,030	8.7	7,896	23.9
NOI from continuing operations	**$361,104**	**100.0%**	$343,779	91.1%	$17,325	5.0%
NOI from discontinued operations	**$—**	**—%**	$33,452	8.9%	$(33,452)	(100.0)%
Total NOI	**$361,104**	**100.0%**	$377,231	100.0%	$(16,127)	(4.3)%

TYPE OF SPACE	YEAR ENDED DECEMBER 31, 2024		DECEMBER 31, 2023		CHANGE $	%
Office	**$294,148**	**81.4%**	$283,884	75.3%	$10,264	3.6%
Retail	**43,970**	**12.2**	38,876	10.3	5,094	13.1
Parking	**22,986**	**6.4**	21,019	5.5	1,967	9.4
NOI from continuing operations	**$361,104**	**100.0%**	$343,779	91.1%	$17,325	5.0%
NOI from discontinued operations	**$—**	**—%**	$33,452	8.9%	$(33,452)	(100.0)%
Total NOI	**$361,104**	**100.0%**	$377,231	100.0%	$(16,127)	(4.3)%

The NOI from continuing operations for the year ended December 31, 2024, increased by $17,325 or 5.0%. This was primarily due to rent commencement from development completions at The Well, QRC West Phase II, 19 Duncan, 700 Saint Hubert and Breithaupt Phase III of $25,863 and contributions from 400 West Georgia of $10,998. This was partially offset by non-renewals of $15,141 and dispositions of $4,457. The decrease in NOI from discontinued operations for the year ended December 31, 2024, was related 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 October 1, 2023, to December 31, 2024, as defined on page 17. Same Asset NOI of the development portfolio for the three months ended December 31, 2024, consists of 19 Duncan, 185 Spadina, KING Toronto, QRC West Phase II, 400 Atlantic, Boardwalk-Revillon Building, 342 Water Street, 3575 Saint-Laurent, 365 Railway, 422-424 Wellington W, 108 East 5th Avenue, Kipling Square, and portions of The Well, 1001 Boulevard Robert-Bourassa, RCA Building - 1001 Lenoir Street, 469 King West, 375 Water, 700 Saint-Hubert and 747 Square-Victoria.

	THREE MONTHS ENDED		CHANGE	
	DECEMBER 31, 2024	DECEMBER 31, 2023	$	%
Montréal	**$26,006**	$25,853	$153	0.6%
Toronto & Kitchener	**37,773**	37,557	216	0.6
Calgary	**3,189**	3,287	(98)	(3.0)
Vancouver	**7,160**	7,887	(727)	(9.2)
Rental portfolio - Same Asset NOI	**$74,128**	$74,584	$(456)	(0.6)%
Assets held for sale - Same Asset NOI	**2,280**	2,810	(530)	(18.9)
Rental portfolio and assets held for sale - Same Asset NOI	**$76,408**	$77,394	$(986)	(1.3)%
Development portfolio - Same Asset NOI (1)	**6,038**	3,893	2,145	55.1
Total portfolio - Same Asset NOI	**$82,446**	$81,287	$1,159	1.4%
Acquisitions (2)	**5,326**	—	5,326	
Dispositions	**1,322**	3,426	(2,104)	
Lease terminations	**—**	28	(28)	
Development fees and corporate items	**3,705**	2,368	1,337	
Total NOI	**$92,799**	$87,109	$5,690	6.5%

(1) *Includes Allied's 50% interest in 19 Duncan.*
(2) *Includes 100% of 400 West Georgia, Allied's incremental 50% interest in 19 Duncan, and Allied's incremental 16.7% interest in the residential component of TELUS Sky acquired in 2024.*

Same Asset NOI of the total portfolio increased by $1,159 or 1.4% for the three months ended December 31, 2024. Same Asset NOI of the rental portfolio decreased by $456 or 0.6% as a result of non-renewals in Calgary and Vancouver of $825, primarily at 1185 West Georgia and 948-950 Homer Street in Vancouver. This was partially offset by rent growth and rent commencement in Kitchener of $524 and in Montréal of $153.

Same Asset NOI of the development portfolio increased by $2,145 or 55.1%, primarily due to rent commencement at The Well, 19 Duncan and QRC West Phase II of $3,543.

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 December 31, 2024. Same Asset NOI of the development portfolio for the year ended December 31, 2024, consists of Breithaupt Phase III, 19 Duncan, 185 Spadina, KING Toronto, QRC West Phase II, 400 Atlantic, Boardwalk-Revillon Building, The Lougheed 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, 469 King West, 375 Water and 747 Square-Victoria.

	YEAR ENDED		CHANGE	
	DECEMBER 31, 2024	DECEMBER 31, 2023	$	%
Montréal	**$99,782**	$99,884	$(102)	(0.1)%
Toronto & Kitchener	**139,591**	143,768	(4,177)	(2.9)
Calgary	**14,731**	15,734	(1,003)	(6.4)
Vancouver	**29,789**	31,939	(2,150)	(6.7)
Rental portfolio - Same Asset NOI	**$283,893**	$291,325	$(7,432)	(2.6)%
Assets held for sale - Same Asset NOI	**9,761**	11,898	(2,137)	(18.0)
Rental portfolio and assets held for sale - Same Asset NOI	**$293,654**	$303,223	$(9,569)	(3.2)%
Development portfolio - Same Asset NOI (1)	**34,984**	18,277	16,707	91.4
Total portfolio - Same Asset NOI	**$328,638**	$321,500	$7,138	2.2%
Acquisitions (2)	**12,990**	—	12,990	
Dispositions	**9,672**	47,582	(37,910)	
Lease terminations	**28**	221	(193)	
Development fees and corporate items	**9,776**	7,928	1,848	
Total NOI	**$361,104**	$377,231	$(16,127)	(4.3)%

(1) *Includes Allied's 50% interest in 19 Duncan.*
(2) *Includes 100% of 400 West Georgia, Allied's incremental 50% interest in 19 Duncan, and Allied's 16.7% interest in the residential component of TELUS Sky acquired in 2024.*

Same Asset NOI of the total portfolio increased by $7,138 or 2.2% for the year ended December 31, 2024. Same Asset NOI of the rental portfolio decreased by $7,432 or 2.6% primarily as a result of non-renewals at The Tannery in Kitchener, The Castle and 82 Peter in Toronto, OddFellows and Telephone Building in Calgary and 1185 West Georgia in Vancouver of $11,776. This was partially offset by rent commencement at The Well in Toronto, 111 Boulevard Robert-Bourassa in Montréal and Vintage Towers in Calgary of $7,219.

Same Asset NOI of the development portfolio increased by $16,707 or 91.4% primarily due to rent commencement at The Well, 19 Duncan and QRC West Phase II of $16,281.

INTEREST EXPENSE

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

	THREE MONTHS ENDED		CHANGE	
	DECEMBER 31, 2024	DECEMBER 31, 2023	$	%
Interest on debt:				
Mortgages payable	**$1,894**	$953	$941	98.7%
Construction loans payable	**8,417**	4,942	3,475	70.3
Promissory note payable (1)	**—**	975	(975)	(100.0)
Unsecured revolving operating facility	**2,464**	685	1,779	259.7
Senior unsecured debentures	**22,122**	18,680	3,442	18.4
Unsecured term loans	**7,093**	7,111	(18)	(0.3)
Interest on lease liabilities	**691**	774	(83)	(10.7)
Amortization, net (premium) discount on debt (1)	**—**	996	(996)	(100.0)
Amortization, net financing costs	**848**	743	105	14.1
Distributions on Exchangeable LP Units (2)	**5,314**	10,983	(5,669)	(51.6)
	$48,843	$46,842	$2,001	4.3%
Interest capitalized to qualifying investment properties and residential inventory	**(17,601)**	(16,577)	(1,024)	(6.2)
Interest expense excluding financing prepayment costs	**$31,242**	$30,265	$977	3.2%
Financing prepayment costs (3)	**501**	—	501	100.0
Interest expense, IFRS basis	**$31,743**	$30,265	$1,478	4.9%

(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) *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.*

(3) *For the three months ended December 31, 2024, financing prepayment costs include $501 for an accelerated amortization of deferred financing costs in connection with the disposition of a property (December 31, 2023 - $nil).*

For the three months ended December 31, 2024, interest expense on an IFRS basis increased by $1,478 or 4.9% from the comparable period primarily due to higher construction loan interest of $3,475 mainly due to construction loans assumed on the acquisitions of 400 West Georgia and 19 Duncan and higher senior unsecured debentures interest of $3,442 due to the issuance of Series J debentures in September 2024, partially offset by lower distributions on Exchangeable LP Units of $5,669 as there was a special cash distribution in December 2023.

For the three months ended December 31, 2024, capitalized interest increased by $1,024 or 6.2% from the comparable period. This increase is due to $1,701 of higher capitalization from the acquisition of an incremental 50% undivided interest in 19 Duncan which is partially under development, $1,325 from a higher weighted average interest rate and $362 from higher spending on qualifying investment properties, partially offset by lower capitalized interest of $2,364 from the completion of development projects.

	YEAR ENDED		CHANGE	
	DECEMBER 31, 2024	DECEMBER 31, 2023	$	%
Interest on debt:				
Mortgages payable	**$4,864**	$3,528	$1,336	37.9%
Construction loans payable	**32,853**	16,675	16,178	97.0
Promissory note payable [1]	**—**	3,967	(3,967)	(100.0)
Unsecured revolving operating facility	**13,127**	23,841	(10,714)	(44.9)
Senior unsecured debentures	**78,300**	74,710	3,590	4.8
Unsecured term loans	**28,175**	28,007	168	0.6
Interest on lease liabilities [2]	**3,016**	2,322	694	29.9
Amortization, net discount (premium) on debt [1]	**(231)**	3,976	(4,207)	(105.8)
Amortization, net financing costs	**3,046**	2,865	181	6.3
Distributions on Exchangeable LP Units [3]	**21,256**	18,068	3,188	17.6
	$184,406	$177,959	$6,447	3.6%
Interest capitalized to qualifying investment properties and residential inventory	**(68,440)**	(70,886)	2,446	3.5
Interest expense excluding financing prepayment costs	**$115,966**	$107,073	$8,893	8.3%
Financing prepayment costs [4]	**501**	—	501	100.0
Interest expense, IFRS basis	**$116,467**	$107,073	$9,394	8.8%

(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 from discontinued operations of $nil (December 31, 2023 - $4,433).*
(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.*
(4) *For the year ended December 31, 2024, financing prepayment costs include $501 for an accelerated amortization of deferred financing costs in connection with the disposition of a property (December 31, 2023 - $nil).*

For the year ended December 31, 2024, interest expense on an IFRS basis increased by $9,394 or 8.8% primarily due to higher construction loan interest of $16,178 mainly due to construction loans assumed on the acquisitions of 400 West Georgia and 19 Duncan, higher senior unsecured debentures interest of $3,590 due to the issuance of Series J debentures in September 2024 and $3,188 from distributions on Exchangeable LP Units, partially offset by lower interest expense of $10,714 from a lower balance on the unsecured revolving operating facility and lower promissory note interest expense of $8,174 due to full repayment in December 2023.

For the year ended December 31, 2024, capitalized interest decreased from the comparable period by $2,446. The decrease is due to the completion of development projects of $12,060 and a lower weighted average interest rate of $1,418, partially offset by the acquisition of an incremental 50% undivided interest in 19 Duncan in 2024 of $6,131 and higher spending on qualifying investment properties of $4,901.

In accordance with IAS 23 - *Borrowing Costs*, interest may be capitalized on properties in connection with activity required to get the assets ready for their intended use (refer to note 2 (g) in Allied's audited consolidated financial statements for the year ended December 31, 2024, for further details). This would include upgrade work as well as work completed in relation to a future development, such as obtaining zoning approval, completing site approval plans, and engineering and architectural drawings. On completion of upgrade and development activity, the ability to capitalize interest expense ends, partially offsetting the financial impact of lease commencement.

GENERAL AND ADMINISTRATIVE EXPENSES

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

	THREE MONTHS ENDED		CHANGE	
	DECEMBER 31, 2024	DECEMBER 31, 2023	$	%
Salaries and benefits [1]	**$7,608**	$6,455	$1,153	17.9%
Professional and trustees fees	**1,639**	1,120	519	46.3
Office and general expenses	**1,804**	1,913	(109)	(5.7)
	$11,051	$9,488	$1,563	16.5%
Capitalized to qualifying investment properties	**(2,677)**	(2,759)	82	3.0
Total general and administrative expenses, IFRS basis	**$8,374**	$6,729	$1,645	24.4%

(1) *For the three months ended December 31, 2024, salaries and benefits expenses includes a fair value loss of $1,834 (December 31, 2023 - $216) on unit-based compensation plans. The mark-to-market adjustment on unit-based compensation is added back in the calculation of FFO as defined in REALPAC's "Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO) for IFRS" issued in January 2022.*

For the three months ended December 31, 2024, general and administrative expenses increased by $1,645 or 24.4% from the comparable period. This was primarily due to the change in the fair value adjustment of $1,618 on unit-based compensation plans. The fair value adjustment is added back in the calculation of FFO defined in REALPAC's "Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO) for IFRS" issued in January 2022.

	YEAR ENDED		CHANGE	
	DECEMBER 31, 2024	DECEMBER 31, 2023	$	%
Salaries and benefits [1]	**$21,372**	$21,197	$175	0.8%
Professional and trustees fees	**6,783**	6,749	34	0.5
Office and general expenses	**6,583**	6,897	(314)	(4.6)
	$34,738	$34,843	$(105)	(0.3)%
Capitalized to qualifying investment properties	**(10,405)**	(11,266)	861	7.6
Total general and administrative expenses, IFRS basis	**$24,333**	$23,577	$756	3.2%

(1) For the year ended December 31, 2024, salaries and benefits expenses includes a fair value recovery of $107 (December 31, 2023 - $494) on unit-based compensation plans. The mark-to-market adjustment on unit-based compensation is added back in the calculation of FFO as defined in REALPAC's "Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO) for IFRS" issued in January 2022.

For the year ended December 31, 2024, general and administrative expenses increased by $756 or 3.2% from the comparable period primarily to lower capitalization to qualifying investment properties of $861 primarily due to the directly attributable employee costs related to the disposition of the UDC portfolio in 2023.

INTEREST INCOME

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

	THREE MONTHS ENDED		CHANGE	
	DECEMBER 31, 2024	DECEMBER 31, 2023	$	%
Interest on loans receivable	**$8,686**	$10,544	$(1,858)	(17.6)%
Guarantee fees	**665**	910	(245)	(26.9)
Interest on cash, cash equivalents and deposit	**1,042**	7,295	(6,253)	(85.7)
Interest income, IFRS basis	**$10,393**	**$18,749**	**$(8,356)**	**(44.6)%**

For the three months ended December 31, 2024, interest income decreased by $8,356 or 44.6% from the comparable period primarily due to $6,253 of lower interest income earned on cash received from the disposition of the UDC portfolio and $6,168 of lower interest income earned on loans receivable due to the full settlement of the 400 West Georgia and 19 Duncan loans receivable, partially offset by $4,310 from a higher balance of loans receivable related to other development projects.

	YEAR ENDED		CHANGE	
	DECEMBER 31, 2024	DECEMBER 31, 2023	$	%
Interest on loans receivable	**$36,771**	$38,362	$(1,591)	(4.1)%
Guarantee fees	**3,023**	3,487	(464)	(13.3)
Interest on cash, cash equivalents and deposit	**5,275**	11,756	(6,481)	(55.1)
Interest income, IFRS basis	**$45,069**	**$53,605**	**$(8,536)**	**(15.9)%**

For the year ended December 31, 2024, interest income decreased by $8,536 or 15.9% from the comparable period primarily due to $17,005 of lower interest income earned on loans receivable due to the full settlement of the 400 West Georgia and 19 Duncan loans receivable and $6,481 of lower interest income earned on cash received from the disposition of the UDC portfolio, partially offset by $15,414 from a higher balance of loans receivable related to other development projects.

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 REALPAC's "Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO) for IFRS" issued in January 2022. 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 17.

For the three months ended December 31, 2024, FFO per unit excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation totalled $0.535. This is a decrease of $0.079 or 12.9% over the comparable period in the prior year. The 400 West Georgia and 19 Duncan acquisitions decreased FFO by $0.034 for the three months ended December 31, 2024, due to the settlement of a loan receivable, resulting in lower interest income of $6,168 and higher interest expense from the construction loans assumed of $4,028, partially offset by the contributions to operating income of $5,423. The remaining decrease of $0.045 was primarily due to $3,431 of higher interest expense from the issuance of Series J unsecured debentures and $6,253 of lower interest income earned on cash received from the disposition of the UDC portfolio, partially offset by $4,310 of higher interest income earned on higher loan receivables balances.

For the year ended December 31, 2024, FFO per unit excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation totalled $2.174. This is a decrease of $0.206 or 8.7% over the comparable period in the prior year. The 400 West Georgia and 19 Duncan acquisitions decreased FFO by $0.113 for the year ended December 31, 2024, due to the settlement of loans receivables, resulting in lower interest income of $17,005 and higher interest expense from the construction loans assumed of $12,115, partially offset by contributions to operating income of $13,362. The remaining decrease of $0.093 was primarily due to lower operating income of $33,821 from the disposition of the UDC portfolio in August 2023 and $6,481 of lower interest income earned on cash received from the disposition of the UDC portfolio, partially offset by $15,414 of higher interest income earned on higher loan receivables balances, $8,929 of lower interest expense due to a lower balance on the unsecured revolving operating facility and $3,963 of higher operating income.

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 17. For the year ended December 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 82.8%.

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 REALPAC's "Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO) for IFRS" issued in January 2022. 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 17.

For the three months ended December 31, 2024, AFFO per unit excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation totalled $0.477. This represents a decrease of $0.085 or 15.1% over the comparable period in the prior year. The 400 West Georgia and 19 Duncan transactions decreased AFFO by $0.035 for the three months ended December 31, 2024. The remaining decrease was primarily due to the changes in FFO discussed above, higher regular leasing expenditures of $1,792 and higher maintenance capital expenditures of $598, partially offset by lower amortization of straight-line rent of $1,654.

For the year ended December 31, 2024, AFFO per unit excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation totalled $1.956. This represents a decrease of $0.221 or 10.2% over the comparable period in the prior year. The 400 West Georgia and 19 Duncan transactions decreased AFFO by $0.116 for the year ended December 31, 2024. The remaining decrease was primarily due to the changes in FFO discussed above, and higher regular leasing expenditures of $3,573, partially offset by lower amortization of straight-line rent of $2,169.

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 17. For the year ended December 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 92.0%.

Consistent with the practice of most Canadian public real estate entities, Allied does not provide formal guidance. It has in recent years provided an outlook with respect to three non-GAAP metrics, FFO per Unit, AFFO per Unit and Same Asset NOI. Prior to completing the portfolio-optimization transactions at 400 West Georgia and 19 Duncan, Management's outlook for 2024 recognized the possibility of these metrics contracting by up to 5% from the prior year. Excluding these transactions, FFO per Unit, AFFO per Unit and Same-Asset NOI for the year ended December 31, 2024, contracted by 3.9%, 4.8% and 2.6%, respectively, which is less than the 5% initially contemplated.

RECONCILIATION OF FFO AND AFFO

The following tables reconcile 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 and years ended December 31, 2024, and 2023, as defined on page 17.

	THREE MONTHS ENDED		
	DECEMBER 31, 2024	DECEMBER 31, 2023	CHANGE
Net loss and comprehensive loss from continuing operations	**$(257,652)**	$(499,340)	$241,688
Net loss and comprehensive loss from discontinued operations	**—**	—	—
Adjustment to fair value of investment properties and investment properties held for sale	**346,035**	494,571	(148,536)
Adjustment to fair value of Exchangeable LP Units	**(36,254)**	26,571	(62,825)
Adjustment to fair value of derivative instruments	**644**	27,054	(26,410)
Transaction costs	**1,586**	167	1,419
Incremental leasing costs	**2,640**	2,302	338
Amortization of improvement allowances	**9,111**	7,529	1,582
Amortization of property, plant and equipment [(1)]	**98**	103	(5)
Distributions on Exchangeable LP Units	**5,314**	10,983	(5,669)
Adjustments relating to joint venture:			
Adjustment to fair value on investment properties	**604**	15,039	(14,435)
Amortization of improvement allowances	**189**	169	20
Transaction costs	**80**	—	80
Interest expense [(2)]	**—**	312	(312)
FFO	**$72,395**	$85,460	$(13,065)
Condominium marketing costs	**17**	89	(72)
Financing prepayment costs	**501**	—	501
Mark-to-market adjustment on unit-based compensation	**1,834**	216	1,618
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	**$74,747**	$85,765	$(11,018)
FFO	**$72,395**	$85,460	$(13,065)
Amortization of straight-line rent	**(1,664)**	(3,318)	1,654
Regular leasing expenditures [(3)]	**(3,357)**	(1,565)	(1,792)
Regular and recoverable maintenance capital expenditures	**(1,214)**	(616)	(598)
Incremental leasing costs (related to regular leasing expenditures)	**(1,847)**	(1,612)	(235)
Adjustment relating to joint venture:			
Amortization of straight-line rent	**(38)**	(43)	5
Regular leasing expenditures	**(1)**	—	(1)

	THREE MONTHS ENDED		
	DECEMBER 31, 2024	DECEMBER 31, 2023	CHANGE
AFFO	**$64,274**	$78,306	$(14,032)
Condominium marketing costs	**17**	89	(72)
Financing prepayment costs	**501**	—	501
Mark-to-market adjustment on unit-based compensation	**1,834**	216	1,618
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	**$66,626**	$78,611	$(11,985)
Weighted average number of units [4]			
Basic	**139,765,128**	139,765,128	—
Diluted	**139,765,128**	139,765,128	—
Per unit - basic and diluted			
FFO	**$0.518**	$0.611	$(0.093)
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	**$0.535**	$0.614	$(0.079)
AFFO	**$0.460**	$0.560	$(0.100)
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	**$0.477**	$0.562	$(0.085)
Pay-out Ratio			
FFO	**86.9%**	73.6%	13.3%
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	**84.1%**	73.3%	10.8%
AFFO	**97.9%**	80.3%	17.6%
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	**94.4%**	80.0%	14.4%

(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 in "Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO) for IFRS" issued in January 2022.

(3) Refer to Capital Expenditures on page 46 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 reclassified from non-controlling interests in equity to liabilities in the consolidated financial statements on Allied's conversion to an open-end trust on June 12, 2023.

	YEAR ENDED		
	DECEMBER 31, 2024	DECEMBER 31, 2023	CHANGE
Net loss and comprehensive loss from continuing operations	**$(342,530)**	$(545,707)	$203,177
Net income and comprehensive income from discontinued operations	**—**	124,991	(124,991)
Adjustment to fair value of investment properties and investment properties held for sale	**557,569**	663,803	(106,234)
Adjustment to fair value of Exchangeable LP Units	**(35,782)**	(28,696)	(7,086)
Adjustment to fair value of derivative instruments	**13,675**	8,535	5,140
Impairment of residential inventory	**38,259**	15,376	22,883
Transaction costs	**1,722**	13,413	(11,691)
Incremental leasing costs	**10,487**	9,184	1,303
Amortization of improvement allowances	**36,975**	31,456	5,519
Amortization of property, plant and equipment [(1)]	**398**	405	(7)
Distributions on Exchangeable LP Units	**21,256**	18,068	3,188
Adjustments relating to joint venture:			
Adjustment to fair value on investment properties	**391**	19,677	(19,286)
Amortization of improvement allowances	**778**	660	118
Transaction costs	**80**	—	80
Interest expense [(2)]	**—**	1,413	(1,413)
FFO	**$303,278**	$332,578	$(29,300)
Condominium marketing costs	**134**	538	(404)
Financing prepayment costs	**501**	—	501
Mark-to-market adjustment on unit-based compensation	**(107)**	(494)	387
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	**$303,806**	$332,622	$(28,816)
FFO	**$303,278**	$332,578	$(29,300)
Amortization of straight-line rent	**(7,410)**	(9,579)	2,169
Regular leasing expenditures [(3)]	**(10,760)**	(7,187)	(3,573)
Regular and recoverable maintenance capital expenditures	**(4,664)**	(5,011)	347
Incremental leasing costs (related to regular leasing expenditures)	**(7,340)**	(6,430)	(910)
Adjustment relating to joint venture:			
Amortization of straight-line rent	**(190)**	(190)	—
Regular leasing expenditures	**(8)**	—	(8)
AFFO	**$272,906**	$304,181	$(31,275)
Condominium marketing costs	**134**	538	(404)
Financing prepayment costs	**501**	—	501
Mark-to-market adjustment on unit-based compensation	**(107)**	(494)	387
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	**$273,434**	$304,225	$(30,791)

	YEAR ENDED		
	DECEMBER 31, 2024	DECEMBER 31, 2023	CHANGE
Weighted average number of units [4]			
Basic	**139,765,128**	139,765,128	—
Diluted	**139,765,128**	139,765,128	—
Per unit - basic and diluted			
FFO	**$2.170**	$2.380	$(0.210)
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	**$2.174**	$2.380	$(0.206)
AFFO	**$1.953**	$2.176	$(0.223)
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	**$1.956**	$2.177	$(0.221)
Pay-out Ratio			
FFO	**83.0%**	75.6%	7.4%
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	**82.8%**	75.6%	7.2%
AFFO	**92.2%**	82.7%	9.5%
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	**92.0%**	82.7%	9.3%

(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 in "Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO) for IFRS" issued in January 2022.

(3) Refer to Capital Expenditures on page 46 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 reclassified from non-controlling interests in equity to liabilities in the 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		YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023	**DECEMBER 31, 2024**	DECEMBER 31, 2023
Revenue-enhancing capital and development costs	**$80,202**	$145,546	**$270,842**	$434,793
Regular and recoverable maintenance capital expenditures	**1,214**	616	**4,664**	5,011
Total capital expenditures	**$81,416**	$146,162	**$275,506**	$439,804
Revenue-enhancing and development leasing expenditures	**$10,334**	$21,700	**$82,751**	$81,108
Regular leasing expenditures	**3,357**	1,565	**10,760**	7,187
Total improvement allowances and leasing commissions	**$13,691**	$23,265	**$93,511**	$88,295

ADJUSTED EBITDA

The following table reconciles Allied's net loss and comprehensive loss to Adjusted EBITDA, a non-GAAP measure, for the three months and years ended December 31, 2024, and December 31, 2023, as defined on page 17.

	THREE MONTHS ENDED		YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023	**DECEMBER 31, 2024**	DECEMBER 31, 2023
Net loss and comprehensive loss for the period	**$(257,652)**	$(499,340)	**$(342,530)**	$(420,716)
Interest expense	**31,743**	30,265	**116,467**	111,506
Amortization of other assets	**431**	381	**1,742**	1,499
Amortization of improvement allowances	**9,300**	7,698	**37,753**	32,116
Impairment of residential inventory	**—**	—	**38,259**	15,376
Transaction costs	**1,666**	167	**1,802**	13,413
Fair value loss on investment properties and investment properties held for sale [1]	**346,639**	509,610	**557,960**	683,480
Fair value (gain) loss on Exchangeable LP Units	**(36,254)**	26,571	**(35,782)**	(28,696)
Fair value loss on derivative instruments	**644**	27,054	**13,675**	8,535
Mark-to-market adjustment on unit-based compensation	**1,834**	216	**(107)**	(494)
Adjusted EBITDA [2]	**$98,351**	$102,622	**$389,239**	$416,019

(1) Includes Allied's proportionate share of the equity accounted investment's fair value loss on investment properties of $604 and $391 for the three months and year ended December 31, 2024, respectively (December 31, 2023 - $15,039 and $19,677, respectively).

(2) The Adjusted EBITDA for the year ended December 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 December 31, 2024, Allied's rental portfolio was 87.2% leased.

STATUS

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

	GLA	AS A % OF TOTAL GLA
Leased area (occupied & committed) - December 31, 2023 [1]	13,047,835	87.3%
Vacancy committed for future leases	(121,756)	
Occupancy - December 31, 2023 [1]	12,926,079	86.4%
Previously committed vacant space now occupied	109,435	
New leases and expansions on vacant space	436,451	
New vacancies during the year	(658,852)	
Suite additions, remeasurements and removals	3,182	
Occupancy before transfers from/(to) PUD and investment properties held for sale	12,816,295	85.7%
Occupancy related to acquired properties	358,693	
Occupancy related to transfers from/(to) PUD and investment properties held for sale	(870,450)	
Occupancy - December 31, 2024 [1]	**12,304,538**	**85.9%**
Vacancy committed for future leases	173,988	
Leased area (occupied & committed) - December 31, 2024 [1]	**12,478,526**	**87.2%**

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

Of the 14,316,773 square feet total GLA in Allied's rental portfolio, 12,304,538 square feet were occupied on December 31, 2024. Another 173,988 square feet were subject to contractual lease commitments with users whose leases commence subsequent to December 31, 2024, bringing the leased area to 12,478,526 square feet, which represents 87.2% 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)	Q1 2025	Q2 2025	Q3 2025	Q4 2025	THEREAFTER	TOTAL
Lease commitments - GLA	125,223	33,872	—	14,893	—	173,988
% of lease commitments	71.9%	19.5%	—%	8.6%	—%	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)	Q1 2025	Q2 2025	Q3 2025	Q4 2025	THEREAFTER	TOTAL
Lease commitments - GLA	61,000	35,620	14,705	54,152	8,511	173,988
% of lease commitments	35.1%	20.5%	8.5%	31.0%	4.9%	100.0%

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

	DECEMBER 31, 2024	SEPTEMBER 30, 2024	JUNE 30, 2024	MARCH 31, 2024
Toronto	**373,436**	403,547	483,890	532,177
Montréal	**398,618**	385,676	207,493	138,306
Calgary	**23,299**	19,805	20,967	76,589
Vancouver	**19,754**	34,787	28,356	27,153
Total square feet	**815,107**	843,815	740,706	774,225
% of total GLA	**5.7%**	5.8%	5.0%	5.3%

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 for 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 and year ended December 31, 2024, Allied leased 68.8%, and 69.3% respectively of the expiring GLA which is summarized in the following table:

MATURITIES DURING THE YEAR	THREE MONTHS ENDED DECEMBER 31, 2024			YEAR ENDED DECEMBER 31, 2024		
	LEASABLE SF	LEASED SF	% LEASED	LEASABLE SF	LEASED SF	% LEASED
Leased in prior year [1]	—	—	—%	231,164	231,164	100.0%
Leased in current year	439,295	270,196	61.5%	1,510,198	861,030	57.0%
Relocations within Allied's portfolio	—	32,000	—%	—	115,017	—%
Retention Rate	**439,295**	**302,196**	**68.8%**	**1,741,362**	**1,207,211**	**69.3%**

(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 year ended December 31, 2024, is summarized in the following table:

	LEASABLE SF	LEASED SF BY DECEMBER 31	% LEASED BY DECEMBER 31	UNLEASED SF AT DECEMBER 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	(116,989)			
Unleased area on January 1, 2024 [1]	1,935,950	614,964	31.8%	1,320,986
Maturities during the year ended December 31, 2024 [2]	1,510,198	861,030	57.0%	649,168
Maturities in future years		641,374		
Total	**3,446,148**	**2,117,368**		**1,970,154**

(1) *The unleased area on January 1, 2024, including re-measurement, consists of Allied's rental properties owned as at December 31, 2024.*
(2) *Some maturities occurred on December 31, 2024, and are included in Allied's leased area.*

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

	THREE MONTHS ENDED DECEMBER 31, 2024			YEAR ENDED DECEMBER 31, 2024		
	NEW LEASES	RENEWALS	TOTAL	NEW LEASES	RENEWALS	TOTAL
Tours			255			1,083
Net leased square feet	187,633	340,345	527,978	901,427	1,215,941	2,117,368
Number of transactions	55	69	124	217	268	485
Lease term (in years)	4.4	3.8	4.0	5.5	3.4	4.3

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

	THREE MONTHS ENDED DECEMBER 31, 2024				YEAR ENDED DECEMBER 31, 2024			
LEASING SPREAD ON RENEWALS	EXPIRING RATE	RENEWAL RATE	SPREAD	SQUARE FEET	EXPIRING RATE	RENEWAL RATE	SPREAD	SQUARE FEET
Ending-to-Starting Base Rent								
Total Portfolio	$19.78	$20.17	2.0%	340,345	$21.29	$21.70	1.9%	1,215,941
Average-to-Average Base Rent								
Total Portfolio	$19.24	$20.37	5.9%	340,345	$20.41	$22.06	8.1%	1,215,941

Leasing activity resulted in an increase of 2.0% and 1.9% in ending-to-starting and 5.9% and 8.1% in average-to-average net rent per square foot from maturing leases upon renewal for the three months and year ended December 31, 2024, respectively, illustrating Allied's ability to generate rent growth upon renewal.

	YEAR ENDED DECEMBER 31, 2024		
LEASE RENEWAL RATE	ABOVE IN-PLACE RENTS	AT IN-PLACE RENTS	BELOW IN-PLACE RENTS
% of total leased SF	38.6%	48.4%	13.0%
Maturing leases - weighted average rent	$21.07	$20.38	$25.32
Renewing leases - weighted average rent	$24.91	$20.38	$17.12

USER PROFILE

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

CATEGORY	% OF RENTAL REVENUE (1) DECEMBER 31, 2024
Business services and professional	37.3%
Telecommunications and information technology	17.9
Media and entertainment	13.3
Retail	10.7
Financial services	6.4
Government	5.2
Life sciences	3.5
Parking and other	3.2
Educational and institutional	2.5
	100.0%

(1) The rental revenue is on a proportionate basis, which is a non-GAAP measure, as defined on page 17.

Information on the top-10 users by rental revenue for the year ended December 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)	3.3%	7.6	3.3%	-/AA+/Aa2
Ubisoft Divertissements Inc.	2.9	7.5	3.8	Not Rated
Shopify Inc.	2.9	9.5	1.9	Not Rated
Societe Quebecoise des Infrastructures	1.7	3.5	1.7	AAL/AA-/Aa2
Deloitte Management Services LP	1.7	10.7	1.4	Not Rated
TMG MacManus Canada Inc.	1.7	6.0	1.6	Not Rated
Morgan Stanley Services Canada Corp.	1.6	5.7	1.6	AH/A-/A1
Unity Technologies Canada Company	1.2	6.0	1.1	Not Rated
National Bank of Canada	1.2	2.2	1.2	AA/A+/Aa2
Thomson Reuters Canada Limited	1.1	8.6	1.0	BBBH/BBB+/ Baa1
	19.3%	**6.9**	**18.6%**	

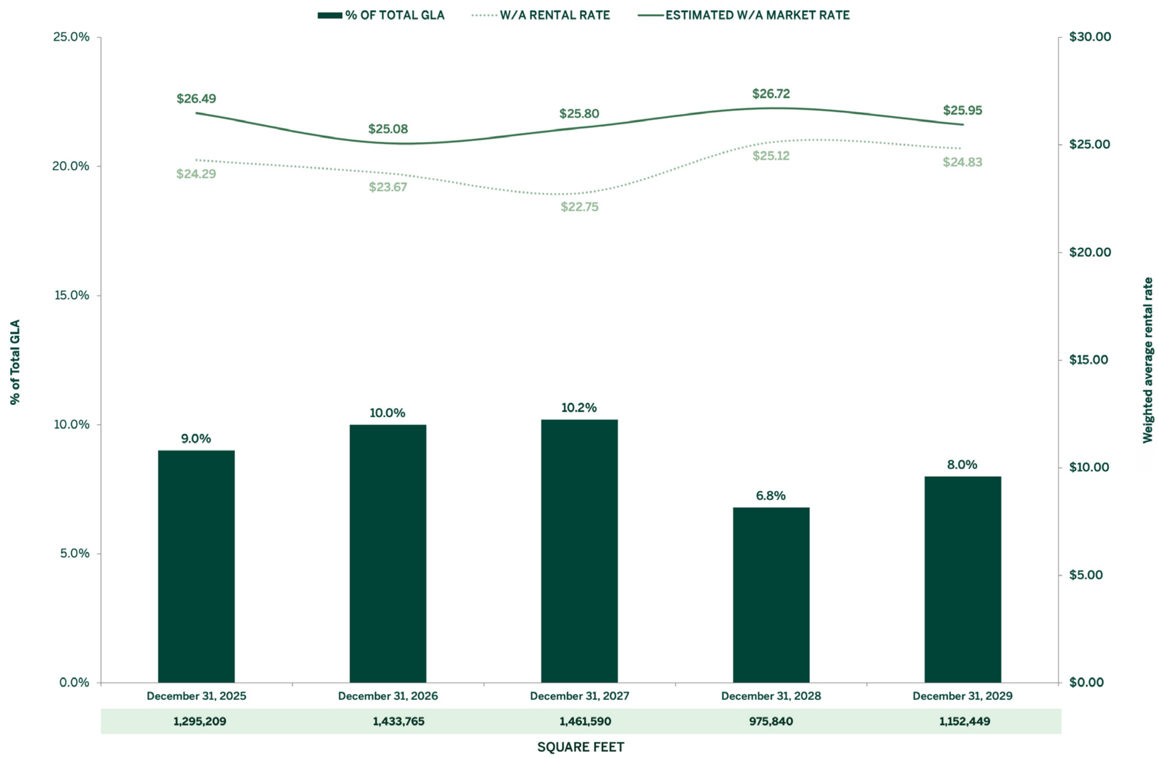
(1) The rental revenue is on a proportionate basis, which is a non-GAAP measure, as defined on page 17.
(2) The credit rating for this user is for the parent company.

LEASE MATURITY

As at December 31, 2024, 87.2% of the GLA in Allied's rental portfolio was leased and its weighted average term to maturity was 5.6 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 2029 and the corresponding estimated weighted average market rental rate as at December 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
December 31, 2025	1,295,209	9.0%	$24.29	$26.49
December 31, 2026	1,433,765	10.0%	$23.67	$25.08
December 31, 2027	1,461,590	10.2%	$22.75	$25.80
December 31, 2028	975,840	6.8%	$25.12	$26.72
December 31, 2029	1,152,449	8.0%	$24.83	$25.95



The following tables contain information on lease maturities by city:

MONTRÉAL	SQUARE FEET	% OF SEGMENT GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
December 31, 2025	287,672	4.8%	$17.87	$19.88
December 31, 2026	535,206	9.0%	$18.51	$19.19
December 31, 2027	702,487	11.8%	$16.62	$22.02
December 31, 2028	362,112	6.1%	$18.45	$18.99
December 31, 2029	424,515	7.1%	$19.82	$19.93

TORONTO & KITCHENER	SQUARE FEET	% OF SEGMENT GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
December 31, 2025	747,371	12.6%	$26.48	$30.28
December 31, 2026	484,926	8.2%	$25.73	$28.41
December 31, 2027	523,458	8.8%	$31.04	$32.62
December 31, 2028	381,592	6.4%	$32.64	$35.40
December 31, 2029	505,982	8.5%	$30.65	$32.79

CALGARY	SQUARE FEET	% OF SEGMENT GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
December 31, 2025	167,365	14.2%	$17.36	$13.17
December 31, 2026	169,956	14.5%	$13.61	$12.58
December 31, 2027	131,996	11.2%	$12.49	$10.92
December 31, 2028	142,841	12.1%	$11.83	$13.02
December 31, 2029	114,350	9.7%	$9.53	$10.05

VANCOUVER	SQUARE FEET	% OF SEGMENT GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
December 31, 2025	92,801	7.4%	$39.03	$40.42
December 31, 2026	243,677	19.5%	$37.95	$40.14
December 31, 2027	103,649	8.3%	$35.49	$35.86
December 31, 2028	89,295	7.1%	$41.28	$42.92
December 31, 2029	107,602	8.6%	$33.47	$34.44

Section IV
–Historical Performance

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

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Rental revenue [1][2]	$155,120	$146,593	$146,750	$143,577	$150,898	$138,455	$136,137	$138,490
Property operating costs [1][2]	(70,737)	(63,364)	(64,359)	(65,106)	(69,029)	(58,558)	(58,037)	(61,325)
Operating income [1][2]	$84,383	$83,229	$82,391	$78,471	$81,869	$79,897	$78,100	$77,165
Net (loss) income and comprehensive (loss) income [1]	$(257,652)	$(94,177)	$28,062	$(18,763)	$(499,340)	$(33,958)	$126,265	$(13,683)
per unit (basic and diluted) [1]	$(1.84)	$(0.67)	$0.20	$(0.13)	$(3.57)	$(0.24)	$0.90	$(0.10)
Net (loss) income attributable to Unitholders [1]	$(257,652)	$(94,177)	$28,062	$(18,763)	$(499,340)	$(33,958)	$124,032	$(16,447)
per unit (basic and diluted) [1]	$(1.84)	$(0.67)	$0.20	$(0.13)	$(3.57)	$(0.24)	$0.89	$(0.12)
Net (loss) income from continuing operations [1][2]	$(257,652)	$(94,177)	$28,062	$(18,763)	$(499,340)	$(25,746)	$11,081	$(31,702)
per unit (basic and diluted) [1][2]	$(1.84)	$(0.67)	$0.20	$(0.13)	$(3.57)	$(0.18)	$0.08	$(0.23)
Net (loss) income from continuing operations attributable to Unitholders [1][2]	$(257,652)	$(94,177)	$28,062	$(18,763)	$(499,340)	$(25,746)	$8,848	$(34,466)
per unit (basic and diluted) [1][2]	$(1.84)	$(0.67)	$0.20	$(0.13)	$(3.57)	$(0.18)	$0.06	$(0.25)
Weighted average units (diluted) [3]	139,765,128	139,765,128	139,765,128	139,765,128	139,765,128	139,765,128	139,765,128	139,765,128
Distributions [1][4]	$62,894	$62,895	$62,894	$62,894	$62,895	$62,895	$62,894	$62,894
FFO [5]	$72,395	$77,645	$72,089	$81,149	$85,460	$83,719	$82,224	$81,175
FFO per unit (diluted) [5]	$0.518	$0.556	$0.516	$0.581	$0.611	$0.599	$0.588	$0.581
FFO pay-out ratio [5]	86.9%	81.0%	87.2%	77.5%	73.6%	75.1%	76.5%	77.5%
All amounts below are excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation [6]								
FFO [5]	$74,747	$74,782	$73,483	$80,794	$85,765	$83,556	$82,216	$81,085
FFO per unit (diluted) [5]	$0.535	$0.535	$0.526	$0.578	$0.614	$0.598	$0.588	$0.580
FFO payout-ratio [5]	84.1%	84.1%	85.6%	77.8%	73.3%	75.3%	76.5%	77.6%
AFFO [5]	$66,626	$65,142	$66,612	$75,054	$78,611	$76,174	$74,958	$74,482
AFFO per unit (diluted) [5]	$0.477	$0.466	$0.477	$0.537	$0.562	$0.545	$0.536	$0.533
AFFO payout-ratio [5]	94.4%	96.6%	94.4%	83.8%	80.0%	82.6%	83.9%	84.4%
NAV per unit [7]	$41.25	$43.76	$44.43	$44.84	$45.60	$49.83	$50.80	$50.41
Net debt as a multiple of annualized adjusted EBITDA [5]	10.8x	10.7x	10.9x	9.4x	8.2x	7.9x	10.5x	10.5x
Total indebtedness ratio [5]	41.7%	39.7%	39.1%	35.9%	34.7%	34.2%	36.9%	36.5%
Total rental GLA	14,317	14,504	14,869	14,636	14,954	14,759	14,479	14,423
Leased rental GLA	12,479	12,642	12,947	12,728	13,048	12,934	12,690	12,809
Leased area %	87.2%	87.2%	87.1%	87.0%	87.3%	87.6%	87.6%	88.8%

(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 until its disposition in August 2023.
(3) This includes the weighted average number of Units and Exchangeable LP Units.
(4) 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 17. These non-GAAP measures include the results of the continuing operations and the discontinued operations.
(6) In the fourth quarter of 2024, Allied incurred $501 of financing prepayment costs for an accelerated amortization of deferred financing costs in connection with the disposition of a property.
(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, derivative instruments, and Exchangeable LP Units.

Section V
–Asset Profile

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

The following table reconciles the consolidated balance sheets on an IFRS basis to a proportionate basis, a non-GAAP measure, as at December 31, 2024, and December 31, 2023, as defined on page 17.

	DECEMBER 31, 2024			DECEMBER 31, 2023		
	IFRS BASIS	INVESTMENT IN JOINT VENTURE [1]	PROPORTIONATE BASIS	IFRS BASIS	INVESTMENT IN JOINT VENTURE	PROPORTIONATE BASIS
Assets						
Non-current assets						
Investment properties	**$9,448,363**	**$—**	**$9,448,363**	$9,387,032	$102,200	$9,489,232
Residential inventory	**221,004**	**—**	**221,004**	209,783	—	209,783
Investment in joint venture	**—**	**—**	**—**	8,866	(8,866)	—
Loans and notes receivable	**191,045**	**—**	**191,045**	321,371	—	321,371
Other assets	**36,642**	**—**	**36,642**	48,528	1,382	49,910
	$9,897,054	**$—**	**$9,897,054**	$9,975,580	$94,716	$10,070,296
Current assets						
Cash and cash equivalents	**73,918**	**—**	**73,918**	211,069	1,054	212,123
Loan receivable from joint venture	**—**	**—**	**—**	93,291	(93,291)	—
Loans and notes receivable	**235,532**	**—**	**235,532**	188,382	—	188,382
Accounts receivable, prepaid expenses and deposits	**137,645**	**—**	**137,645**	140,963	851	141,814
Investment properties held for sale	**259,830**	**—**	**259,830**	—	—	—
	$706,925	**$—**	**$706,925**	$633,705	$(91,386)	$542,319
Total assets	**$10,603,979**	**$—**	**$10,603,979**	$10,609,285	$3,330	$10,612,615
Liabilities						
Non-current liabilities						
Debt	**$3,418,246**	**$—**	**$3,418,246**	$3,510,366	$—	$3,510,366
Lease liabilities	**8,384**	**—**	**8,384**	50,639	—	50,639
Other liabilities	**52,297**	**—**	**52,297**	48,784	—	48,784
	$3,478,927	**$—**	**$3,478,927**	$3,609,789	$—	$3,609,789
Current liabilities						
Exchangeable LP Units	**202,527**	**—**	**202,527**	238,309	—	238,309
Debt	**985,129**	**—**	**985,129**	149,245	—	149,245
Accounts payable and other liabilities	**367,731**	**—**	**367,731**	476,863	3,330	480,193
Lease liability held for sale	**7,021**	**—**	**7,021**	—	—	—
	$1,562,408	**$—**	**$1,562,408**	$864,417	$3,330	$867,747
Total liabilities	**$5,041,335**	**$—**	**$5,041,335**	$4,474,206	$3,330	$4,477,536
Equity						
Unitholders' equity	**$5,562,644**	**$—**	**$5,562,644**	$6,135,079	$—	$6,135,079
Non-controlling interests	**—**	**—**	**—**	—	—	—
Total equity	**$5,562,644**	**$—**	**$5,562,644**	$6,135,079	$—	$6,135,079
Total liabilities and equity	**$10,603,979**	**$—**	**$10,603,979**	$10,609,285	$3,330	$10,612,615

(1) *On December 19, 2024, the TELUS Sky Partnership (in which Allied owns a one-third interest) sold the residential and commercial components of TELUS Sky. Accordingly, the TELUS Sky Partnership no longer owns any interest in TELUS Sky after this disposition. See the Acquisitions and Dispositions section in Section V - Asset Profile.*

As at December 31, 2024, Allied's portfolio of 208 investment properties consists of 186 rental properties (eight of which are partially under development), eight development properties, and 14 investment properties held for sale on a proportionate basis, as defined on page 17. Allied's portfolio of investment properties and investment properties held for sale has a fair value of $9,708,193 as at December 31, 2024.

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 17.

	THREE MONTHS ENDED DECEMBER 31, 2024			YEAR ENDED DECEMBER 31, 2024		
	RENTAL PROPERTIES	PROPERTIES UNDER DEVELOPMENT	TOTAL	RENTAL PROPERTIES	PROPERTIES UNDER DEVELOPMENT	TOTAL
Balance, beginning of period	$9,145,148	$939,490	$10,084,638	$8,471,072	$1,018,160	$9,489,232
Additions:						
Acquisitions	79,769	7,612	87,381	491,764	201,524	693,288
Improvement allowances (1)	3,378	4,513	7,891	30,987	42,368	73,355
Leasing commissions (1)	4,901	899	5,800	13,044	7,112	20,156
Capital expenditures (1)	34,921	46,495	81,416	75,910	199,596	275,506
Dispositions	(204,739)	—	(204,739)	(255,989)	—	(255,989)
Transfers from PUD	147,944	(147,944)	—	592,006	(592,006)	—
Transfers to PUD	(44,950)	44,950	—	(123,000)	123,000	—
Transfers (to) from other assets	43	—	43	758	—	758
Amortization of straight-line rent and improvement allowances (1)	(7,412)	(186)	(7,598)	(29,157)	(996)	(30,153)
Fair value loss on investment properties and investment properties held for sale (1)	(297,549)	(49,090)	(346,639)	(405,941)	(152,019)	(557,960)
Balance, end of period	**$8,861,454**	**$846,739**	**$9,708,193**	**$8,861,454**	**$846,739**	**$9,708,193**
Investment properties	$8,601,624	$846,739	$9,448,363	$8,601,624	$846,739	$9,448,363
Investment properties held for sale	259,830	—	259,830	259,830	—	259,830
Investment properties and investment properties held for sale	**$8,861,454**	**$846,739**	**$9,708,193**	**$8,861,454**	**$846,739**	**$9,708,193**

(1) *Includes Allied's proportionate share of the equity accounted investment of the following amounts for the three months and year ended December 31, 2024: improvement allowances of nil and $108, respectively; leasing commissions of $nil and $20, respectively; capital expenditures of $2,255 and $2,551, respectively; amortization of straight-line rent and improvement allowances of $(151) and $(588), respectively; and a fair value gain (loss) on investment properties of $(604) and $391, respectively.*

As at December 31, 2024, Allied had 14 investment properties held for sale. There were no investment properties held for sale as at December 31, 2023. The increase of $259,830 for the year ended December 31, 2024, is due to the classification of 14 properties as investment properties held for sale.

For the three months ended December 31, 2024, Allied recognized a fair value loss on investment properties and investment properties held for sale of $346,639 on a proportionate basis. This was mainly due to the expansion of capitalization rates and adjustments to cash flow assumptions.

For the year ended December 31, 2024, Allied recognized a fair value loss on investment properties and investment properties held for sale of $557,960 on a proportionate basis. This was mainly due to the expansion of capitalization rates, adjustments to cash flow assumptions and cost increases in the development portfolio.

For the three months ended December 31, 2024, Allied capitalized $17,601 of borrowing costs to its capital expenditures on a proportionate basis, $13,095 of which related to development activity, $2,182 to upgrade activity and $2,324 to qualifying residential inventory.

For the year ended December 31, 2024, Allied capitalized $68,440 of borrowing costs to its capital expenditures on a proportionate basis, $48,945 of which related to development activity, $9,637 to upgrade activity in the rental portfolio and $9,858 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 minimum 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 and investment properties held for sale 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 December 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 urban workspace portfolio weighted average capitalization rate was 4.90%, detailed in the table below:

OVERALL CAPITALIZATION RATE	DECEMBER 31, 2024			DECEMBER 31, 2023		
	RANGE %	WEIGHTED AVERAGE %	FAIR VALUE $ (1)	RANGE %	WEIGHTED AVERAGE %	FAIR VALUE $ (1)
Montréal & Ottawa (2)	**4.75% - 7.50%**	**5.30%**	**$2,333,875**	4.50% - 7.00%	5.08%	$2,550,767
Toronto & Kitchener	**4.00% - 6.00%**	**4.72%**	**4,632,053**	4.00% - 6.00%	4.66%	4,663,539
Calgary	**6.75% - 7.75%**	**7.33%**	**183,632**	6.75% - 7.75%	7.19%	246,946
Vancouver	**4.00% - 5.25%**	**4.32%**	**1,170,000**	4.00% - 4.50%	4.18%	906,880
Urban workspace (3)	**4.00% - 7.75%**	**4.90%**	**$8,319,560**	4.00% - 7.75%	4.81%	$8,368,132

(1) Presented on a proportionate basis, which is a non-GAAP measure, as defined on page 17.
(2) Allied sold its Ottawa properties on December 18, 2024.
(3) Urban workspace excludes the rental-residential portfolio of $282,064 and the properties under development of $846,739 as at December 31, 2024 (December 31, 2023 - $102,940 and $1,018,160, respectively).

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. Allied has evolved into a leading owner-operator of urban workspace in Canada's major cities.

ACQUISITIONS AND DISPOSITIONS

During the year ended December 31, 2024, Allied completed the following property acquisitions.

PROPERTY	ACQUISITION DATE	INTEREST ACQUIRED	ACQUISITION COST	OFFICE GLA	RETAIL GLA	RESIDENTIAL GLA	TOTAL GLA	PARKING STALLS
400 West Georgia, Vancouver (1)	April 1, 2024	90%	$357,525	306,762	5,892	—	312,654	163
19 Duncan, Toronto (1)(2)	April 1, 2024	45%	248,382	67,153	1,607	129,600	198,360	131
TELUS Sky (residential component), Calgary (1)(3)	December 19, 2024	50%	78,390	—	—	121,071	121,071	176
400 West Georgia, Vancouver (1)	December 20, 2024	10%	37,436	34,084	654	—	34,738	—
19 Duncan, Toronto (1)(2)	December 20, 2024	5%	23,122	7,462	178	14,400	22,040	—
Total, IFRS basis			**$744,855**	**415,461**	**8,331**	**265,071**	**688,863**	**470**
Existing 1/3 share of TELUS Sky (residential component), Calgary (3)			(51,567)					
Total, Proportionate basis			**$693,288**					

(1) The GLA is at Allied's ownership acquired on the acquisition date. The parking spaces are at 100% ownership.

(2) 19 Duncan was previously known as Adelaide & Duncan. Allied acquired an incremental 45% interest and 5% interest in 19 Duncan on April 1, 2024 and December 20, 2024, respectively, increasing Allied's total ownership in 19 Duncan to 100%.

(3) Allied's one-third interest in the TELUS Sky Partnership was recognized as an investment in joint venture through an equity accounted investment prior to December 19, 2024. The total investment property value of $78,390 consists of $51,567 which represents Allied's existing one-third interest and $26,823 as the incremental one-sixth (approximately 16.7%) interest acquired.

On April 1, 2024, the purchase price, including acquisition costs, for 400 West Georgia and 19 Duncan of $605,907 was satisfied by construction loans assumed totalling $327,735, the assumption of other liabilities of $29,262 related to completing the 19 Duncan development, working capital of $2,510, the settlement of a loan receivable due from the seller of $197,339, and net cash consideration of $49,061, including land transfer taxes.

On December 19, 2024, the reorganization of the ownership of TELUS Sky was completed, resulting in a decrease of the TELUS Sky Partnership's ownership in the commercial and residential components of TELUS Sky from 100% to zero and a 16.7% increase in Allied's ownership in the residential component of TELUS Sky to 50% through a newly created co-ownership structure with Westbank, which is accounted for as a joint operation. Refer to notes 4 and 8 in Allied's audited consolidated financial statements for the year ended December 31, 2024, for further details.

On December 20, 2024, the purchase price, including acquisition costs, for 400 West Georgia and 19 Duncan of $60,558 was satisfied by construction loans assumed totalling $37,358, the assumption of other liabilities of $2,308 relating to completing the 19 Duncan development, working capital of $749, the partial settlement of a loan receivable due from the seller of $18,866 and net cash consideration of $1,277 primarily for land transfer taxes. This acquisition increased Allied's ownership in each of 400 West Georgia and 19 Duncan to 100%.

During the year ended December 31, 2024, Allied completed the following dispositions of investment properties:

PROPERTY	DISPOSITION DATE	PROPERTY TYPE	GROSS PROCEEDS
85 Saint-Paul W, Montréal	August 26, 2024	Office	$16,250
480 Saint-Laurent, Montréal	August 26, 2024	Office, retail	16,250
4446 Saint-Laurent, Montréal	September 26, 2024	Office, retail	18,750
College & Manning - 547-549 College, Toronto	November 29, 2024	Residential, retail	24,000
The Chambers - 40 Elgin & 46 Elgin, Ottawa	December 18, 2024	Office, retail	86,511
810 Saint Antoine, Montréal (1)	December 19, 2024	Office	41,895
Total dispositions, IFRS basis			**$203,656**
TELUS Sky (commercial component)			52,333
Total dispositions, Proportionate basis			**$255,989**

(1) The consideration includes a density bonus of $4,895 to be received, conditional on the building density achieved by the purchaser. Any changes in the actual amount of the density bonus will be recognized in other income or impairment loss in the consolidated statements of loss and comprehensive loss.

The gross proceeds were equivalent to the fair value of these investment properties at the time of disposition, therefore, there was no gain or loss recorded on closing.

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 102 properties (excluding those held for sale) in Toronto now comprise 5.2 million square feet of current rental portfolio GLA and are situated on 34.1 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 11.3 million square feet of GLA, 6.1 million square feet more than currently is in place.

Allied entered the Montréal market in April of 2005. The 27 properties (excluding those held for sale) in Montréal now comprise 6.0 million square feet of current rental portfolio GLA. As they are much larger buildings on average than those comprising the Toronto portfolio, the 35.1 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 8.5 million square feet of GLA, 2.5 million square feet more than currently is in place.

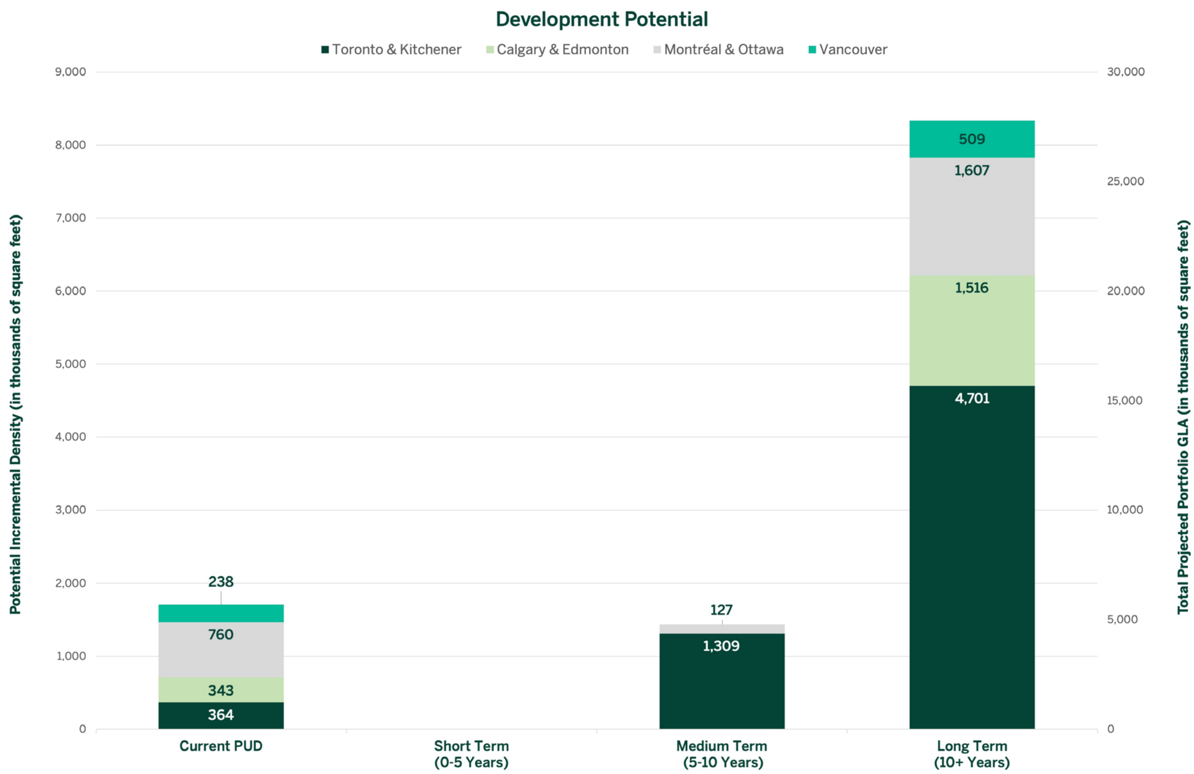
There is similar potential inherent in the rest of Allied's portfolio, which is quantified in the chart below. Across Canada on a portfolio-wide basis, there are 1.7 million square feet currently in PUD and 9.8 million square feet of potential incremental density, totalling 11.5 million square feet as at December 31, 2024. Of the 9.8 million square feet of potential incremental density, 5.6 million square feet is reflected in the appraised fair values, mainly at properties where zoning approvals are in place. The remaining 4.2 million square feet is not reflected in the appraised fair values.

The below details the potential incremental density by city:

CITY	CURRENT RENTAL	CURRENT PUD (ESTIMATED ON COMPLETION)	POTENTIAL DENSITY FROM ZONING COMPLETED OR IN PROGRESS	ADDITIONAL POTENTIAL DENSITY	TOTAL POTENTIAL GLA
Toronto [(1)]	5,214,719	364,144	3,290,524	2,386,729	11,256,116
Kitchener	709,015	—	—	333,184	1,042,199
Montréal	5,966,206	759,580	1,068,557	665,720	8,460,063
Calgary	1,175,943	48,502	—	1,515,925	2,740,370
Edmonton	—	294,710	—	—	294,710
Vancouver	1,250,890	238,321	—	509,297	1,998,508
Total	**14,316,773**	**1,705,257**	**4,359,081**	**5,410,855**	**25,791,966**

(1) *The GLA estimated on completion for properties under development in Toronto excludes 688,866 square feet of GLA at The Well, 152,800 square feet of commercial GLA at 19 Duncan and 152,689 square feet of residential GLA that has been transferred to the rental portfolio at 19 Duncan.*

The timing of development for the 9.8 million square feet of potential incremental density is impossible to predict with precision. One factor is our self-imposed limitation on development activity. The focus will be on the Toronto portfolio. The chart below provides a reasonable estimate of when the potential could begin to be realized:



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 the Declaration of Trust, the cost of Properties Under Development cannot exceed 15% of GBV. At December 31, 2024, the cost of the Properties Under Development was 10.1% 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. There are two main types of properties under development: ground-up developments and redevelopments. Ground-up developments involve construction of significant amounts of new leasable area. Redevelopments involve transformation of existing leasable area to enhance revenue-producing capabilities.

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

The following table sets out the Properties Under Development as at December 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.

		ESTIMATED								
PROPERTY NAME	OWNERSHIP	TRANSFER TO RENTAL PORTFOLIO	OFFICE GLA	RETAIL GLA	RESIDENTIAL GLA	ANNUAL NOI	TOTAL COST	YIELD ON COST	COST TO COMPLETE	% OF OFFICE LEASED
Ground-up developments										
The Well, Toronto (1)(2)(3)	50%	Q3 2022 to Q2 2025	584,000	160,000	—	$37,500 - 43,250	$831,000	4.5% - 5.2%	$5,922	98%
19 Duncan, Toronto - original 50% interest (3)(4)	50%	Q4 2023 to Q2 2025	74,615	1,785	144,000	10,500 - 11,500	240,007	4.4% - 4.8%	19,725	100%
108 East 5th Avenue, Vancouver (1)	50%	Q1 2026	102,000	—	—	4,350 - 4,600	108,884	4.0% - 4.2%	15,257	77%
KING Toronto, Toronto (1)(5)(6)	50%	Q2 2026	40,000	60,000	—	5,000 - 6,000	173,250	2.9% - 3.7%	58,067	—%
365 Railway, Vancouver	100%	TBD	60,000	—	—	TBD	TBD	TBD	TBD	—%
Redevelopments	100%	Up to Q4 2026	1,100,206	152,605	—	23,615 - 27,740	564,785	4.2% - 4.9%	39,798	23%
Subtotal			**1,960,821**	**374,390**	**144,000**	**$80,965 - $93,090+**				
19 Duncan, Toronto - incremental 50% interest acquired (3)(4)(7)	50%		74,615	1,785	144,000	10,500 - 11,500	240,007			100%
Total						**$91,465 - $104,590+**				

(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) A portion of the property has been transferred to the rental portfolio. The estimated GLA on completion includes both the rental and development portions.

(4) 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 Q2 2025.

(5) 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 $297,500 - $307,000. 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 $297,500. The residential component is being developed and sold as condominium units, totalling 440 units. As at December 31, 2024, 405 units or 92% have been pre-sold, subject to customary closing conditions. Management expects the condominium sales to close in the first half of 2026.

(6) During the year ended December 31, 2024, Allied recorded an impairment of $38,259 on KING Toronto. Residential inventory carrying value is calculated as the estimated gross proceeds less estimated costs to complete. The impairment during the year ended December 31, 2024, reflects higher estimated costs to complete and lower estimated gross proceeds.

(7) On April 1, 2024, and December 20, 2024, Allied purchased an incremental 45% and 5% undivided interest in 19 Duncan, respectively, increasing its ownership to 100%. The purchase price of this incremental ownership interest includes the accrued corresponding costs to complete.

The following are the redevelopment projects:

PROPERTY NAME	ESTIMATED GLA (SF) OFFICE	RETAIL
400 Atlantic, Montréal (1)	27,151	292
Boardwalk-Revillon Building, Edmonton	237,369	57,341
185 Spadina, Toronto	55,213	—
342 Water, Vancouver	18,434	3,206
375 Water, Vancouver (1)	51,780	2,901
1001 Boulevard Robert-Bourassa, Montréal (1)	273,850	22,643
RCA Building, Montréal (1)	170,223	35,233
3575 Saint Laurent, Montréal	165,555	18,898
Kipling Square, Calgary (2)	48,502	—
469 King W, Toronto (1)(2)	18,485	—
747 Square-Victoria, Montréal (1)	33,644	12,091
Total	1,100,206	152,605

(1) The GLA represents the portion of the property that is under development.
(2) Planning for conversion from office to retail use is underway to optimize the use of this property.

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.

LOANS RECEIVABLE

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

	MATURITY DATE	DECEMBER 31, 2024	DECEMBER 31, 2023
19 Duncan	N/A	**$—**	$21,173
400 West Georgia	N/A	**—**	188,355
KING Toronto [1]	December 31, 2026	**181,123**	112,161
Breithaupt Phase III [2]	N/A	**9,913**	9,913
150 West Georgia	December 9, 2025	**221,281**	178,095
Total loans receivable		**$412,317**	$509,697

(1) The facility matures at the earlier of December 31, 2026, or the closing of the condominium units.
(2) The loan is repayable in installments upon rent commencement subsequent to repayment of the construction loan, which will be repaid with expected proceeds from permanent financing when it matures on March 31, 2025.

On April 1, 2024, the 400 West Georgia loan was fully settled when Allied acquired a 90% ownership interest in 400 West Georgia and an incremental 45% ownership interest in 19 Duncan.

On September 6, 2024, the KING Toronto loan was amended to add an additional credit facility in an aggregate principal amount not to exceed $35,000, plus interest. Interest accrues to this additional facility at a rate of prime plus 8.00% per annum and is payable monthly starting January 1, 2025.

In the fourth quarter of 2024, the 19 Duncan loan was amended to add an additional credit facility in an aggregate principal amount not to exceed $10,000 (the "Additional Duncan Facility"). During the fourth quarter of 2024, $5,265 was drawn under the Additional Duncan Facility, bringing the total outstanding loan balance to $26,438. Of this balance, $18,866 was used to settle the acquisition of an incremental 5% interest in 19 Duncan and an incremental 10% interest in 400 West Georgia on December 20, 2024. The remaining balance of $7,572 was converted to a note receivable due from Westbank on June 30, 2025.

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 December 31, 2024 (December 31, 2023 - $nil).

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, unsecured term loans and capital recycling. 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 December 31, 2024, 82.7% 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 17, as at December 31, 2024, and December 31, 2023. As at December 31, 2024, 94.3% of Allied's debt is at a fixed rate (December 31, 2023 - 92.7%).

	DECEMBER 31, 2024	DECEMBER 31, 2023
Mortgages payable	**$437,536**	$111,875
Construction loans payable	**473,866**	307,013
Unsecured revolving operating facility	**—**	—
Senior unsecured debentures	**2,842,388**	2,591,569
Unsecured term loans	**649,585**	649,154
Debt, IFRS and proportionate basis	**$4,403,375**	$3,659,611
Less: cash, cash equivalents and deposit [1]	**152,518**	288,595
Net debt	**$4,250,857**	$3,371,016

(1) Includes cash and cash equivalents attributable to the TELUS Sky Partnership totalling $nil as at December 31, 2024 (December 31, 2023 - $1,054).

The publication of CDOR ceased effective June 28, 2024, and has been replaced by the Canadian Overnight Repo Rate Average ("CORRA"). As a result, in 2024, Allied amended the benchmark rates in its debt and swap agreements from CDOR to CORRA, as applicable, including a credit spread adjustment for the basis difference between CDOR and CORRA. The economic impact to Allied is immaterial.

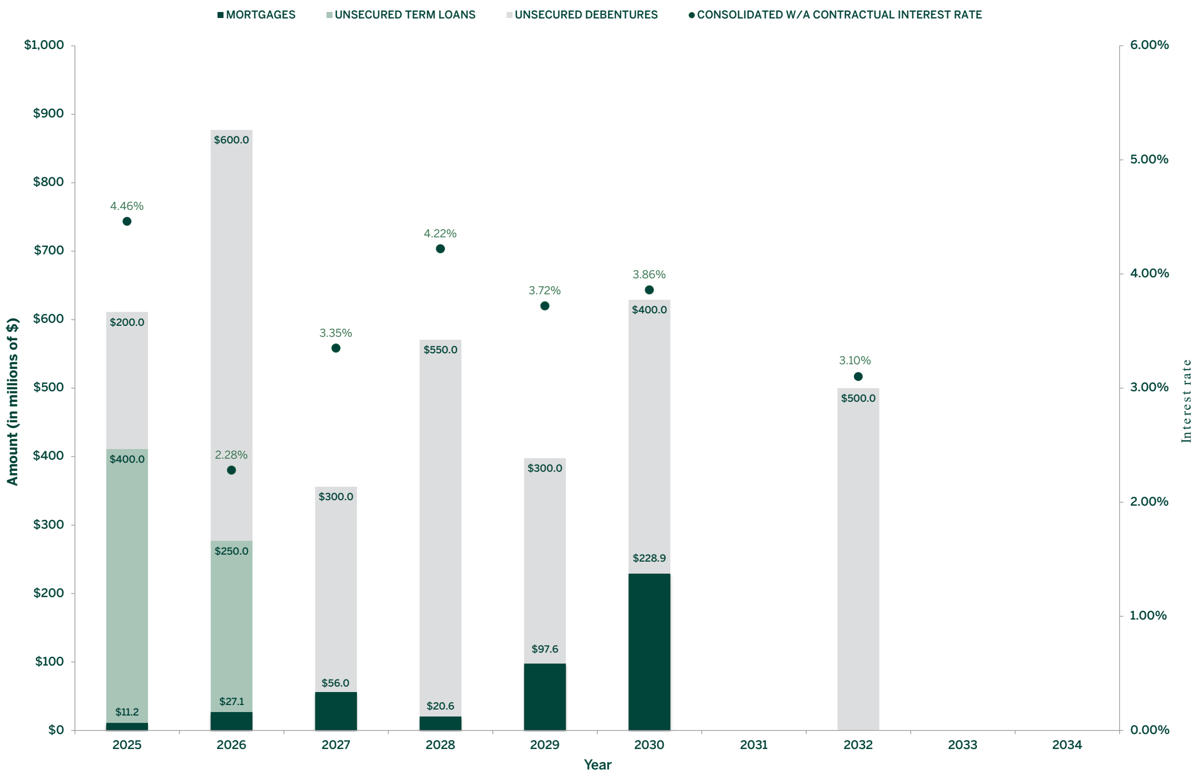
The respective financing costs recognized are amortized using the effective interest method and recorded to interest expense.

On October 3, 2024, Allied entered into a swap agreement with a financial institution to fix the rate on a notional amount of variable-rate debt of $175,000 to exchange the floating CORRA-based interest payments for fixed interest payments at a total fixed rate of 4.927%. The swap is effective October 31, 2024, and matures on October 31, 2026. Allied will first apply this swap to the unsecured revolving operating facility, and if the swap exceeds the balance of the unsecured revolving operating facility at any point in time, Allied may apply the swap to other variable-rate debt outstanding at that time.

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
2025	$11,164	—%	$200,000	3.64%	$400,000	4.87%	$611,164	4.46%
2026	27,116	3.59	600,000	1.73	250,000	3.50	877,116	2.28
2027	56,040	4.76	300,000	3.11	—	—	356,040	3.35
2028	20,589	4.04	550,000	4.22	—	—	570,589	4.22
2029	97,637	4.79	300,000	3.39	—	—	397,637	3.72
2030	228,949	5.20	400,000	3.12	—	—	628,949	3.86
2031	—	—	—	—	—	—	—	—
2032	—	—	500,000	3.10	—	—	500,000	3.10
2033	—	—	—	—	—	—	—	—
2034	—	—	—	—	—	—	—	—
	$441,495	4.81%	$2,850,000	3.10%	$650,000	4.34%	$3,941,495	3.48%

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 3.3 years, as at December 31, 2024:



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

	MORTGAGES PAYABLE	SENIOR UNSECURED DEBENTURES	UNSECURED TERM LOANS	TOTAL
Weighted average effective interest rate as at December 31, 2024	4.81%	3.10%	4.34%	3.50%

MORTGAGES PAYABLE

As at December 31, 2024, mortgages payable, net of financing costs, total $437,536. The weighted average contractual interest rate of mortgages payable is 4.81% as at December 31, 2024 (December 31, 2023 - 3.38%). There were no variable rate mortgages payable as at December 31, 2024, and December 31, 2023. The weighted average term of the mortgage debt is 4.7 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	DECEMBER 31, 2024	DECEMBER 31, 2023
2025	$11,164	$—	$11,164	
2026	6,673	20,443	27,116	
2027	6,040	50,000	56,040	
2028	6,132	14,457	20,589	
2029	6,139	91,498	97,637	
2030	6,358	222,591	228,949	
Mortgages, principal	$42,506	$398,989	$441,495	$112,677
Net premium on assumed mortgages			—	233
Net financing costs			(3,959)	(1,035)
			$437,536	$111,875

For the year ended December 31, 2024, Allied received proceeds on new mortgages, net of financing costs, of $389,928, at a weighted average rate of 5.04% and a weighted average term to maturity of 4.9 years.

CONSTRUCTION LOANS PAYABLE

As at December 31, 2024, and December 31, 2023, Allied's obligations relating to construction loans are as follows:

	OWNERSHIP	DATE OF MATURITY	DECEMBER 31, 2024	DECEMBER 31, 2023
19 Duncan (1)	100%	August 11, 2025	**$257,667**	$110,046
Breithaupt Phase III	50%	March 31, 2025	**57,572**	58,005
KING Toronto	50%	July 31, 2026	**99,900**	99,900
108 East 5th Avenue	50%	December 6, 2025	**58,727**	39,062
400 West Georgia (2)	100%	N/A	**—**	—
			$473,866	$307,013

(1) Allied acquired an incremental 45% interest and 5% interest in 19 Duncan on April 1, 2024, and December 20, 2024, respectively, increasing Allied's total ownership in 19 Duncan to 100%.

(2) Allied acquired a 90% interest and an incremental 10% interest in 400 West Georgia on April 1, 2024, and December 20, 2024, respectively, increasing Allied's total ownership in 400 West Georgia to 100%. Allied fully repaid the 400 West Georgia construction loan on December 20, 2024.

Allied and Westbank had a $295,000 construction lending facility for the 19 Duncan joint arrangement from a syndicate of Canadian banks, in which Allied's 50% share was $147,500 until March 31, 2024. On April 1 and December 20, 2024, Allied's share increased to $280,250 and $295,000, as a result of its incremental 45% and 5% ownership, respectively. Accordingly, Allied assumed an additional $103,487 drawn on the construction lending facility on April 1, 2024 and $12,442 on December 20, 2024. The loan bears interest at bank prime plus 35 basis points or CORRA plus 135 basis points with a standby fee of 25 basis points and a letter of credit fee of 100 basis points. The 19 Duncan joint arrangement had 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 had provided a joint and several guarantee of the entire facility and earned a related guarantee fee on up to $147,500 and $14,750 of the facility until March 31, 2024, and December 19, 2024, respectively.

Allied and Perimeter have a $138,000 construction loan for the Breithaupt Phase III joint arrangement from a financial institution, in which Allied's 50% share is $69,000. On December 4, 2024, a $3,600 repayment ($1,800 at Allied's share) was made on the facility. As a result the facility limit was decreased from $138,000 to $134,400, in which Allied's 50% share is $67,200. The loan bears interest at bank prime plus 25 basis points or CORRA 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 $67,200 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, 2024, $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. On September 27, 2024, the maturity date for the construction lending facility was extended from December 17, 2024, to July 31, 2026. The loan bears interest at bank prime plus 45 basis points or CORRA 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.

Allied and Westbank have a $150,000 construction lending facility for the 108 East 5th Avenue joint arrangement 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 CORRA plus 135 basis points with a standby fee of 27 basis points and a letter of credit fee 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 exceeded one of the sustainability performance targets for 2023, resulting in a 0.025% reduction in the interest rate and a 0.005% reduction in the standby fee in each year. The second sustainability performance target, which is a green building certification, is to be assessed upon completion of the building. 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%.

On April 1, 2024, Allied and Westbank had a $250,000 construction lending facility for the 400 West Georgia joint arrangement from a syndicate of Canadian banks, of which Allied's share was $225,000. Allied assumed $224,248 of the construction lending facility and immediately following the acquisition, Allied repaid $44,164 of its share of the construction lending facility. Concurrently, the construction lending facility limit decreased from $250,000 to $205,000. On December 20, 2024, the incremental 10% acquisition resulted in Allied assuming the remainder of the construction lending facility of $24,916, and immediately following the transactions, Allied fully repaid the construction lending facility. The loan bore interest at bank prime plus 40 basis points or CORRA plus 160 basis points. Allied had provided a joint and several guarantee of the entire facility.

UNSECURED REVOLVING OPERATING FACILITY

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

		DECEMBER 31, 2024				
MATURITY DATE	CONTRACTUAL INTEREST RATES ON DRAWINGS	STANDBY FEE	FACILITY LIMIT (1)	DRAWINGS	LETTERS OF CREDIT	AMOUNT AVAILABLE
January 26, 2027	Prime + 0.70% or CORRA + 1.70% (2)	0.34%	$800,000	$—	$(10,506)	$789,494

(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 and the standby fee would change. On June 11, 2024, the spread, standby fee, and letter of credit fee increased for the Unsecured Facility.*

		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 were subject to certain conditions being met. In the event that these conditions were 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.

SENIOR UNSECURED DEBENTURES

As at December 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	DECEMBER 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
Series J	5.534%	September 26, 2028	March 26 and September 26	**250,000**	—
Unsecured debentures, principal				**$2,850,000**	$2,600,000
Net financing costs				**(7,612)**	(8,431)
				$2,842,388	$2,591,569

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

On September 26, 2024, Allied issued $250,000 of 5.534% Series J unsecured debentures (the "Series J Debentures") on a private placement basis due September 26, 2028, with semi-annual interest payments due on March 26 and September 26 each year commencing on March 26, 2025. Debt financing costs of $1,258 were incurred and recorded against the principal owing.

Proceeds from the Series J Debentures were used to repay short-term, variable rate debt.

UNSECURED TERM LOANS

As at December 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	DECEMBER 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				**(415)**	(846)
				$649,585	$649,154

The two unsecured term loans are collectively referred to as "Unsecured Term Loans".

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%.

Allied also has a swap agreement on its $400,000 unsecured term loan to fix the rate at 4.865% until October 22, 2025.

CREDIT RATINGS

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

	RATING AGENCY	LONG-TERM CREDIT RATING	TREND
Issuer Rating & Unsecured Debentures	DBRS Limited	BBB	Negative

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, 2024, DBRS confirmed Allied's issuer rating and senior unsecured debentures ratings at BBB and changed the trend from stable to negative.

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 17.

COVENANT (1)	THRESHOLD	DECEMBER 31, 2024	DECEMBER 31, 2023
Indebtedness ratio	Below 60%	**41.7%**	34.7%
Secured indebtedness ratio	Below 45%	**8.7%**	4.0%
Debt service coverage ratio (2)	Consolidated adjusted EBITDA to be more than 1.5 times debt service payments	**2.3x**	2.5x
Equity maintenance	At least $1,250,000 plus 75% of future equity issuances ($2,819,658)	**$5,562,644**	$6,135,079
Unencumbered property assets value ratio	Unencumbered property assets to be more than 1.4 times total unsecured debt	**2.3x**	2.7x
Distribution payout ratio	Maintain distributions below 100% of FFO for eight consecutive quarters	**79.1%**	73.7%

(1) *Includes results from continuing operations, discontinued operations and assets classified as held for sale.*
(2) *The debt service coverage ratio for the year ended December 31, 2024, includes financing prepayment costs of $501 for the accelerated amortization of deferred financing costs in connection with the disposition of a property (December 31, 2023 - $nil). Excluding these financing prepayment costs, the debt service coverage ratio as at December 31, 2024, would be 2.3x (December 31, 2023 - 2.5x).*

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 17.

COVENANT [1]	THRESHOLD	DECEMBER 31, 2024	DECEMBER 31, 2023
Equity maintenance	At least $2,800,000 plus 75% of future equity issuances ($2,800,000)	**$5,562,644**	N/A
Restricted payment payout ratio	Maintain restricted payments below 100% of FFO for four consecutive quarters	**82.8%**	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 17.

COVENANT [1]	THRESHOLD	DECEMBER 31, 2024	DECEMBER 31, 2023
Pro forma interest coverage ratio	Maintain a 12-month rolling consolidated *pro forma* EBITDA of at least 1.65 times *pro forma* interest expense	**2.2x**	3.0x
Pro forma asset coverage test	Maintain net consolidated indebtedness below 65% of net aggregate assets on a *pro forma* basis	**41.9%**	34.8%
Equity maintenance	Maintain Unitholders' equity above $300,000	**$5,562,644**	$6,135,079
Pro forma unencumbered net aggregate adjusted asset ratio	Maintain *pro forma* unencumbered net aggregate adjusted assets above 1.4 times consolidated unsecured indebtedness	**2.5x**	3.0x

(1) Includes results from continuing operations and assets classified as held for sale. The equity maintenance ratio also includes results from discontinued operations.

As at December 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 years ended December 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)	—	(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)	—	(1,712)
Balance at December 31, 2024	**127,955,983**	**$4,545,196**

(1) This represents the special Unit distribution. See Note 16 of the audited consolidated financial statements for the year ended December 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 February 4, 2025, 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		YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023	**DECEMBER 31, 2024**	DECEMBER 31, 2023
Units	**127,955,983**	127,955,983	**127,955,983**	127,955,983
Exchangeable LP Units	**11,809,145**	11,809,145	**11,809,145**	11,809,145
Total units - basic and fully diluted	**139,765,128**	139,765,128	**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 year ended December 31, 2024, Allied purchased 99,443 Units for $1,712 at a weighted average price of $17.22 of which 98,183 Units were purchased for delivery to participants under Allied's Restricted Unit Plan and 1,260 Units were purchased for certain employee rewards outside of 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 December 31, 2024, Allied had granted options to purchase up to 1,712,971 Units outstanding, of which 1,640,098 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 year ended December 31, 2024, Allied recorded a unit-based compensation expense of $104 (December 31, 2023 - $389) in general and administrative expense in the 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 December 31, 2024, Allied had 310,435 Restricted Units outstanding (December 31, 2023 - 294,254).

For the year ended December 31, 2024, Allied recorded a unit-based compensation expense of $2,024 (December 31, 2023 - $2,421) in general and administrative expense in the 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:

	YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023
Plan Units, beginning of year	**371,277**	179,193
Granted	**252,773**	170,461
Settled	**(113,861)**	(7,274)
Forfeited	**(35,587)**	—
Distributions equivalents	**63,112**	28,897
Plan Units, end of year	**537,714**	371,277

For the year ended December 31, 2024, Allied recorded a unit-based compensation expense of $2,850 (December 31, 2023 - $1,327), including the mark-to-market adjustment, in general and administrative expense in the consolidated statements of loss and comprehensive loss. During the year ended December 31, 2024, 113,861 Plan Units vested (December 31, 2023 - 7,274 Plan Units vested) and settled in cash resulting in a decrease of $2,264 (December 31, 2023 - $127) to the unit-based compensation liabilities.

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 the equivalent of monthly distributions on the Units, which are both recognized in general and administrative expenses in the consolidated statements of loss and comprehensive loss. 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. For the year ended December 31, 2024, Allied recorded a unit-based compensation recovery of $44 (December 31, 2023 - $nil), including the mark-to-market expense of $305 (December 31, 2023 - $nil).

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. 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 after 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 year ended December 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 loss on Exchangeable LP Units	—	(35,782)
Balance at December 31, 2024	**11,809,145**	**$202,527**

Prior to Allied's conversion to an open-end trust, the Exchangeable LP Units were presented within non-controlling interests in the 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 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

Since inception, Allied has been 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

Allied's current distribution plan is to maintain monthly distributions of $1.80 per unit on an annualized basis.

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.

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 December 31, 2024, was $21,256, for which Choice Properties elected to receive a loan in lieu of all of the distributions. A note receivable of $26,925 was outstanding from Choice Properties as of December 31, 2024, of which $21,256 was for cash advances made during the year ended December 31, 2024 in respect of monthly distributions, and $5,669 was for the special cash distribution declared in December 2023 and advanced 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, 2025, $26,925 of the note receivable due from Choice Properties as at December 31, 2024, was settled on a net basis against the distributions payable to Choice Properties.

SOURCES OF DISTRIBUTIONS

For the three months and year ended December 31, 2024, Allied declared $62,894 and $251,577 in distributions respectively (December 31, 2023 - $62,895 and $251,578, respectively), including distributions to holders of the Exchangeable LP Units of $10,628 and $21,256, respectively (December 31, 2023 - $16,297 and $26,925, respectively).

	THREE MONTHS ENDED		YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023	**DECEMBER 31, 2024**	DECEMBER 31, 2023
Distributions declared (1)	**$62,894**	$62,895	**$251,577**	$251,578
Net loss and comprehensive loss	**$(257,652)**	$(499,340)	**$(342,530)**	$(420,716)
Cash provided by operating activities (2)	**$63,076**	$133,427	**$147,837**	$320,886
AFFO excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation (3)	**$66,626**	$78,611	**$273,434**	$304,225
AFFO excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation payout ratio (3)	**94.4%**	80.0%	**92.0%**	82.7%
Deficit of net loss over distributions declared	**$(320,546)**	$(562,235)	**$(594,107)**	$(672,294)
Excess (deficit) of cash flows provided by operating activities over distributions declared	**$182**	$70,532	**$(103,740)**	$69,308
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	**$3,732**	$15,716	**$21,857**	$52,647

(1) *Distributions declared for the three months and year ended December 31, 2023, exclude the Special Distribution of $67,087.*
(2) *The cash flows provided by operating activities for the year ended December 31, 2024, include decreases in other non-cash operating items related to properties under development and additions to residential inventory.*
(3) *This is a non-GAAP measure, as defined on page 17.*

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 December 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 audited consolidated financial statements for the year ended December 31, 2024.

COMMITMENTS

Allied has entered into commitments relating to development and upgrade activity. At December 31, 2024, Allied had future commitments of $131,338 (December 31, 2023 - $168,477, includes $406 held within equity accounted investments).

The above does not include Allied's lease liability commitments, which are disclosed in note 13 of the audited consolidated financial statements for the year ended December 31, 2024.

Section VII

–Accounting Estimates and Assumptions

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the 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 consolidated financial statements and accompanying notes.

Critical accounting estimates and assumptions are discussed in Allied's audited consolidated financial statements for the year ended December 31, 2024, and the notes contained therein.

MATERIAL ACCOUNTING POLICY INFORMATION

Accounting policies and any respective changes are discussed in Allied's audited consolidated financial statements for the year ended December 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") evaluated, or caused to be evaluated under their direct supervision, the design and operating effectiveness of disclosure controls and procedures (as defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109")) at December 31, 2024, and based on that evaluation, have concluded that such disclosure controls and procedures were appropriately designed and were operating effectively.

Management is responsible for establishing adequate 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. The CEO and CFO evaluated, or caused to be evaluated under their direct supervision, the effectiveness of Allied's internal controls over financial reporting (as defined in NI 52-109) at December 31, 2024, using the COSO Internal Control - Integrated Framework (2013), published by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, the CEO and the CFO determined that internal controls over financial reporting were appropriately designed and were operating effectively.

No changes were made in the design of internal controls over financial reporting during the period ended December 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 six 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.

The following discussion of risks is not exhaustive but is designed to highlight the key risks that may affect Allied's business, operations and financial condition or future performance.

OPERATING RISKS AND RISK MANAGEMENT

JOINT ARRANGEMENTS AND PARTNERSHIPS

Allied has entered into various joint arrangements and partnerships with different entities. Allied may own less than a controlling interest, may not be in a position to exercise sole decision-making authority regarding the properties owned through joint arrangements and may not fully manage those properties. Investments in joint arrangements may, under certain circumstances, involve risks not present when a third party is not involved, including: (i) counter-party risk; (ii) the possibility that joint arrangement partners may have business interests or goals that are inconsistent with Allied's business interests or goals; and (iii) the need to obtain the joint arrangement partner's consent with respect to certain major decisions relating to these assets, such as decisions relating to the sale of the assets, timing and amount of distributions of cash from such properties to Allied and its joint arrangement partners, and capital expenditures. In addition, the sale or transfer of interests in certain of the joint arrangements and partnerships may be subject to rights of first refusal and certain of the joint arrangement agreements may provide for buy-sell, put or similar arrangements. If these joint arrangements or partnerships do not perform as expected or default on financial obligations, Allied has an associated risk.

DEVELOPMENT AND CONSTRUCTION RISK

As an owner of Properties Under Development, Allied is subject to development risks, such as risks associated with the pricing and availability of labour and materials, construction delays, cost over-runs, challenges in securing municipal approvals and potential delays in occupancy and/or rent commencement. In connection with all Properties Under Development, Allied incurs development costs prior to (and in anticipation of) achieving a stabilized level of rental revenue. Allied manages these risks through fixed-price contracts, where possible, by commencing municipal approval processes at an early stage and by not commencing construction until a satisfactory level of pre-leasing is achieved for ground-up developments. Overall, these risks are managed through Allied's Declaration of Trust, which states that the cost of development cannot exceed 15% of GBV.

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 54.

In evaluating lease roll-over risk, it is informative to determine Allied's sensitivity to a decline in occupancy. As at December 31, 2024, Allied had total GLA in the rental portfolio of 14,316,773 square feet, of which 87.2% is leased. The weighted average annual rental revenue is approximately $48.06 per square foot, therefore for every full-year decline of 100 basis points in occupancy, Allied's annual rental revenue would decline by approximately $5,998. 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.

USER TERMINATIONS AND FINANCIAL STABILITY

Allied's distributable income would be adversely affected if a significant number of users were to become unable to meet their obligations under their leases resulting in early termination and a significant amount of available space in its properties were not able to be re-leased on economically favourable lease terms. Upon the termination of any lease, there can be no assurance that the user will be replaced. The terms of any subsequent lease may be less favourable to Allied than the existing lease. In the event of default by a user, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting Allied's investment may be incurred. Furthermore, at any time, a user of any of Allied's properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such user's lease and thereby cause a reduction in the cash flow available to Allied. Allied conducts due diligence on the quality and financial viability of users and seeks to obtain large security deposits when warranted. The ability to rent unleased space in the properties in which Allied will have an interest will be affected by many factors. Costs may be incurred in making improvements or repairs to property required by a new user. The failure to lease space on a timely basis or at all would likely have an adverse effect on Allied's financial condition.

COMPETITION

The real estate business is competitive. Numerous other developers, managers and owners of office properties compete with Allied in seeking users. Some of the properties of Allied's competitors are better located or less levered than Allied's properties and any property in which Allied subsequently acquires an interest. Some of Allied's competitors are better capitalized and stronger financially and hence better able to withstand an economic downturn. The existence of competing developers and owners and competition for Allied's users could have an adverse effect on Allied's ability to lease space in its properties and on the rents charged or concessions granted, and could adversely affect Allied's revenues and its ability to meet its debt obligations. An increase in the availability of investment funds and an increase in interest in immovable property investments may tend to increase competition for immovable property investments, thereby increasing purchase prices and reducing the yield on them. Competition for acquisitions of real properties is intense, and some competitors may have the ability or inclination to acquire properties at a higher price or on terms less favourable than those that Allied is prepared to accept. Allied mitigates these risks through the strategic positioning of its portfolio in amenity-rich urban areas of Canada's major cities, its focus on operations and targeted broker outreach.

REAL ESTATE RISK

Allied is subject to the conventional risks associated with the ownership of real estate.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made by Allied throughout the period of its ownership of the properties regardless of whether the property is producing sufficient income to cover such expenses. In order to provide desirable rentable space over the long term, Allied must maintain or, in some cases, improve each property's condition to meet market demand. Maintaining and improving a rental property can entail significant costs that Allied may not be able to pass on to users.

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may tend to limit Allied's ability to vary its portfolio promptly in response to changing economic or investment conditions. If Allied were to dispose of real property investments, the proceeds to Allied might be significantly less than the aggregate carrying value of its properties.

Allied strives to mitigate these risks through a robust preventative maintenance program, contractual rent escalation mechanisms and by focusing intently on execution.

RENTAL RESIDENTIAL

Allied expects to grow its urban rental-residential portfolio over time, which includes residential condominiums and rental-residential units. The demand for residential condominiums is cyclical and is affected by changes in general economic conditions, employment levels, availability of financing for purchasers, interest rates, demographic trends, housing supply and housing demand. As a landlord of rental-residential units, Allied is subject to risks, including, but not limited to, fluctuations in occupancy levels, individual credit risk, heightened reputation risk tenant privacy concerns, potential changes to rent control regulations and housing policy, increases in operating costs including the costs of utilities and the imposition of new taxes or increased property taxes.

RELIANCE ON KEY PERSONNEL

The management of Allied depends on the services of certain key personnel, particularly its Chief Executive Officer, Cecilia Williams, and its Chief Financial Officer, Nanthini Mahalingam. The unexpected loss of services from key personnel or a limitation in their availability could have an adverse effect on the business, financial condition and results of operations of Allied, specifically if there is not adequate succession plans in place for these personnel. Allied's ability to retain its senior management team or attract suitable replacements in the event of a departure is dependent on, among other things, the competitive nature of the employment market. Allied engages in ongoing succession planning for its key personnel and other senior management and periodically conducts broader reviews of its management structure and succession plans. Allied does not have key-personnel insurance on any of its key employees.

UNEXPECTED COSTS OR LIABILITIES RELATED TO ACQUISITIONS

A risk associated with acquisitions is that there may be an undisclosed or unknown liability relating to the acquired property, and Allied may not be indemnified for some or all of these liabilities. Following an acquisition, Allied may discover that it has acquired undisclosed liabilities, which may be material. The due diligence procedures performed by Management are designed to address this risk. Allied performs what it believes to be an appropriate level of investigation in connection with its acquisition of properties and seeks through contract to ensure that risks lie with the appropriate party.

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 76.

Interest rates on debt for mortgages payable, Unsecured Debentures and Unsecured Term Loans are between 1.73% and 5.53% with a weighted average contractual interest rate of 3.48%. The weighted average term of our debt (excluding construction loans and the Unsecured Facility) is 3.3 years. Refer to note 12(b) and (d) of the 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.

AVAILABILITY OF CASH FLOW AND DISTRIBUTIONS

There can be no assurance that Allied will maintain or increase its distribution levels in the future. Distributions are made at the discretion of the trustees based on many factors, including provisions of the Declaration of Trust, macroeconomic and industry specific environments, the overall financial condition of Allied, future capital requirements, debt covenants, and taxable income. Distributable income may exceed actual cash available to Allied from time to time because of items such as principal repayments of debt, user inducements, leasing commissions and capital expenditures, if any. Allied may be required to use part of its debt capacity or reduce distributions in order to accommodate such items. The market value of the Units may be negatively impacted if Allied is unable to maintain its distribution levels in the future.

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 19.3% of rental revenue.

As Allied has provided loans, advances and notes receivable 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, advances and notes receivable will typically be subordinate to prior ranking mortgage or charges, where there is also a construction loan facility. As at December 31, 2024, Allied had $412,317 in loans receivable and $14,260 outstanding in notes 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.

UNIT PRICE RISK

Unit price risk arises from the unit-based compensation liabilities, Exchangeable LP Units, and total return swap derivative liabilities or assets which are recorded at fair value at each quarter-end date. Allied's unit-based compensation liabilities and Exchangeable LP Units negatively impact net income and comprehensive income when the Unit price rises and positively impact net income and comprehensive income when the Unit price declines. Allied's total return swap derivative liabilities or assets positively impact net income and comprehensive income when the Unit price rises and negatively impact net income and comprehensive income when the Unit price declines.

POTENTIAL VOLATILITY OF UNIT PRICES

Allied is an unincorporated trust and its Units are listed on the TSX. A publicly-traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. The prices at which the Units will trade cannot be predicted and could be subject to significant fluctuations in response to variations in quarterly operating results, distributions, and other factors beyond the control of Allied such as changes or uncertainty regarding global economic conditions, including but not limited to those caused by the occurrence of a natural disaster, a public health emergency or other force majeure event. The annual yield on the Units as compared to the annual yield on other financial instruments may also influence the price of the Units in the public trading markets. In addition, securities markets may experience significant price and volume fluctuations from time to time that are unrelated or disproportionate to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the Units.

DILUTION

Allied may, in its sole discretion, issue additional Units, or securities convertible or exchangeable into Units, from time to time, and the voting power and/or economic interest of Unitholders may be diluted thereby. Allied cannot predict the size or nature of future sales or issuances of securities, or the effect, if any, that such future sales and issuances will have on the market price of the Units.

MORTGAGES

Approximately 42.7% 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.

FINANCIAL LEVERAGE

Allied's degree of financial leverage could have important consequences to Unitholders, including: (i) Allied's ability to obtain additional financing in the future for operating costs, capital expenditures, acquisitions, development or other general business purposes, (ii) a larger portion of Allied's cash flows being used towards the payment of its indebtedness, which reduces the amount of funds available for distributions to Unitholders, and (iii) making Allied more vulnerable to a downturn in the business or the economy in general. Under the Declaration of Trust, the maximum amount that Allied can leverage is 60% of the GBV, excluding convertible debentures (or 65% of the GBV, including any outstanding convertible debentures). There are also similar financial leverage covenants in the agreements governing the Senior Unsecured Debentures, Unsecured Facility, and Unsecured Term Loans. To reduce this risk, Allied actively monitors its indebtedness ratio to ensure it is within acceptable levels. Any of these risks could have an adverse effect on Allied's financial condition, results of operations, cash flows, the market price of the Units, distributions to Unitholders and its ability to satisfy principal and interest obligations on its outstanding debt.

CAPITALIZATION RATES

The fair market property valuation process is dependent on several inputs, including the discount rates and terminal capitalization rates. Risks associated with Allied's property valuation model include fluctuations in these rates which can significantly impact the value of Allied's investment properties, which in turn, could impact financial covenants in the agreements governing the Senior Unsecured Debentures, Unsecured Facility, Unsecured Term Loans and various mortgages.

CREDIT RATING RISK

There can be no assurance that any credit rating assigned to Allied or the Unsecured Debentures by a rating agency will remain in effect for any given period of time or that the rating will not be lowered, withdrawn or revised by the rating agency if, in its judgment, circumstances so warrant. In addition, Allied may incur additional indebtedness in the future, which could impact current and future credit ratings. Any lowering, withdrawal or revision of a credit rating could materially adversely affect the market value of Allied's outstanding securities and Allied's access to and cost of financing.

OTHER RISKS

GENERAL ECONOMIC CONDITIONS

Allied may be affected by changes in general economic conditions (such as inflation and the availability and cost of credit), local real estate markets (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, competition from other available premises, including new developments, and various other factors. Property valuations may be impacted by inflation and interest rate risk. The global economy may face increasing uncertainty due to acts of nature, including an outbreak of a pandemic or other health crisis, trade protectionism and disruptions, disputes and political events around the world, which could potentially impact Canadian trade and the Canadian economy at large. This could have an impact on the markets in which Allied operates and in turn could have an adverse effect on Allied.

CYBERSECURITY RISK

The efficient operation of Allied's business is dependent on computer hardware and software systems. Information systems are vulnerable to cybersecurity incidents. A cybersecurity incident is considered to be any material adverse event that threatens the confidentiality, integrity or availability of Allied's information resources. A cybersecurity incident is an intentional attack or an unintentional event including, but not limited to, malicious software, attempts to gain unauthorized access to data or information systems, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. Allied's primary risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to its reputation, damage to its business relationships with users, the disclosure of confidential information including personally identifiable information, potential liability to third parties, loss of revenue, additional regulatory scrutiny and fines, as well as litigation and other costs and expenses. Allied undertakes regular internal and external assessments of its information security posture, including annual third-party penetration testing and ongoing third-party assessment of Allied's information technology footprint. Allied has adopted the NIST Cybersecurity Framework as a guiding framework for its portfolio. For information stored with or processed by third parties, Allied undertakes due diligence prior to working with them and uses contractual means to ensure compliance to standards set by Allied. Allied's employees complete information security training every four months and an external Information Technology General Controls audit is completed annually. Additionally, Allied monitors and assesses risks surrounding collection, usage, storage, protection, and retention/destruction practices of personal data. Allied also maintains information security risk insurance coverage. Since inception, Allied has not experienced an unauthorized intrusion or infiltration of its systems that has resulted in a data breach. These measures, as well as Allied's increased awareness of a risk of a cyber incident, do not guarantee that its financial results will not be negatively impacted by such an incident.

TAXATION RISK AND CHANGES IN LEGISLATION

Allied is a mutual fund trust as defined in the Tax Act. The Tax Act contains restrictions relating to the activities and the investments permitted by a mutual fund trust and, if Allied failed to adhere to these restrictions, adverse tax consequences would arise.

On June 22, 2007, specified investment flow through trusts or partnerships ("SIFT") rules were introduced and changed the manner in which certain trusts are taxed. Certain distributions from a SIFT would not be deductible in computing the SIFT's taxable income and therefore the distributions would be subject to trust entity level tax, at the general tax rate applicable to Canadian corporations. Trusts that meet the REIT exemption are not subject to SIFT rules. The determination as to whether Allied qualifies for the REIT exemption in a particular taxation year can only be made with certainty at the end of that taxation year. Asset tests need to be met at all times in the taxation year and revenue tests need to be met for the taxation year. While there is uncertainty surrounding the interpretation of the relevant provisions of the REIT exemption and application of SIFT rules, Allied expects that it will qualify for the REIT exemption.

In the event that the SIFT rules apply to Allied, the impact to Unitholders will depend on the status of the holder and, in part, on the amount of income distributed which would not be deductible by Allied in computing its income in a particular year and what portions of Allied's distributions constitute "non-portfolio earnings", other income and return of capital.

There can be no assurance that income tax laws (or the judicial interpretation thereof or the administrative and/or assessing practices of the Canada Revenue Agency) and/or the treatment of mutual fund trusts will not be changed in a manner which adversely affects Unitholders. Allied will endeavour to ensure that the Units continue to be qualified investments for registered retirement savings plans, deferred profit sharing plans, registered retirement income funds, registered education savings plans, registered disability savings plans and tax-free savings accounts. Units will cease to be qualified investments for registered retirement savings plans, deferred profit sharing plans, registered retirement income funds, registered education savings plans, registered disability savings plans and tax-free savings accounts if the Units were no longer listed on a stock exchange that, for the purposes of the Tax Act, is a designated stock exchange (which includes the TSX) and Allied no longer qualified as a mutual fund trust or as a registered investment. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

ENVIRONMENTAL AND CLIMATE CHANGE RISK

As an owner of real estate, Allied is subject to various federal, provincial and municipal laws relating to environmental matters. Allied will make the necessary capital and operating expenditures to ensure compliance with environmental laws and regulations.

Such laws provide that Allied could be liable for the costs of removal of certain hazardous substances, remediation of certain hazardous locations or other environmental impacts. The failure to remove or remediate such substances, locations or environmental impacts, if any, could adversely affect Allied's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against Allied. Allied is not aware of any material non-compliance with environmental laws at any of the properties. Allied is also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of the properties or any pending or threatened claims relating to environmental conditions at the properties.

Climate change could pose significant environmental, social and business risks. If environmental laws and regulations change, Allied could be subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on Allied's business, financial condition or results of operation. It is Allied's operating policy to obtain a Phase I environmental assessment conducted by an independent and experienced environmental consultant prior to acquiring a property. Phase I environmental assessments have been performed in respect of all properties. Allied is committed to evaluating potential impacts to its business on an ongoing basis and to making investments to mitigate potential identified impacts.

Physical risks from climate change that may result in damage to Allied's properties may include natural disasters and severe weather, such as floods and rising temperatures. The extent of Allied's casualty losses and loss in operating income in connection with such events is a function of the severity of the event and the total amount of exposure in the affected area. Allied is also exposed to risks associated with inclement winter weather, including increased need for maintenance and repair of its buildings. In addition, the physical impacts from climate change, including changing weather patterns, could have effects on Allied's business by increasing the cost of property insurance, and/or energy at its properties. As a result, the consequences of natural disasters, severe weather and climate change could increase Allied's costs and reduce Allied's cash flow. Allied is evaluating all of its assets to understand how the physical risks from climate change could impact the portfolio and is taking a proactive and precautionary approach to mitigate potential impacts.

PANDEMICS AND OTHER PUBLIC HEALTH CRISES

Pandemics and other public health crises can result in significant economic disruptions, slowdowns and increased volatility in financial markets, which could have adverse consequences on Allied including, but not limited to, business continuity interruptions, disruptions and costs of development activities, unfavorable market conditions, and threats to the health and safety of employees. Such occurrences could also potentially affect the market price for the equity securities of Allied, its current credit rating, total return and distributions. Allied's users may also face business challenges as a result of a pandemic or other public health crisis that may adversely affect their business and their ability to pay rent in full, on a timely basis or at all. Such events could materially adversely affect Allied's operations, reputation and financial condition, including the fair value of Allied's properties.

GENERAL UNINSURED LOSSES

Allied carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Allied will have insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements, and will continue to carry such insurance if it is economical to do so. Should an uninsured or underinsured loss occur, Allied could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but Allied would continue to be obliged to repay any recourse mortgage indebtedness on such properties.

ABSENCE OF SHAREHOLDER RIGHTS

Unitholders do not have all of the statutory rights normally associated with ownership of shares of a company. On May 12, 2016, Allied amended the Declaration of Trust to include certain rights, remedies and procedures in favour of Unitholders consistent, to the extent possible, with those available to shareholders of a corporation pursuant to the *Canada Business Corporations Act*, as further described in Allied's Management Information Circular dated April 11, 2016. The rights granted in the Declaration of Trust are granted as contractual rights afforded to Unitholders (rather than as statutory rights). Similar to other existing rights contained in Allied's Declaration of Trust (i.e., the take-over bid provisions and conflict of interest provisions), making these rights and remedies and certain procedures available by contract is structurally different from the manner in which the equivalent rights and remedies or procedures (including the procedure for enforcing such remedies) are made available to shareholders of a corporation, who benefit from those rights and remedies or procedures by the corporate statute that governs the corporation, such as the *Canada Business Corporations Act*. As such, there is no certainty how these rights, remedies or procedures may be treated by the courts in the non-corporate context or that a Unitholder will be able to enforce the rights and remedies in the manner contemplated by the amendments. Furthermore, how the courts will treat these rights, remedies and procedures will be in the discretion of the court, and the courts may choose to not accept jurisdiction to consider any claim contemplated in the provisions.

The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that Act or any other legislation. Furthermore, Allied is not a trust company and, accordingly, it is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

UNITHOLDER LIABILITY

On December 16, 2004, the Province of Ontario proclaimed the *Trust Beneficiaries Liability Act* (Ontario) in force. This legislation provides that beneficiaries of Ontario based income trusts are not liable, as beneficiaries, for any act, default, obligation or liability of the income trust. Unitholders of Allied will have the benefit of this legislation with respect to liabilities arising on or after December 16, 2004. This legislation has not been subject to interpretation by courts in the Province of Ontario or elsewhere.

Section X
–Property Table

DECEMBER 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 - 559 College [(1)]	24,627	2,634	27,261		—	27,261	100.0%
College & Palmerston - 491 College [(1)]	8,863	3,717	12,580		—	12,580	100.0%
The Castle - 135 Liberty	55,593	—	55,593		11,111	44,482	80.0%
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%
King West	**353,880**	**12,512**	**366,392**	**2.6%**	**63,344**	**303,048**	**82.7%**
12 Brant	—	11,936	11,936		—	11,936	100.0%
141 Bathurst	10,101	—	10,101		—	10,101	100.0%
241 Spadina	24,827	6,046	30,873		6,162	24,711	80.0%
379 Adelaide W	36,923	3,045	39,968		—	39,968	100.0%
383 Adelaide W	4,515	—	4,515		—	4,515	100.0%
387 Adelaide W	6,500	—	6,500		6,500	—	—%
420 Wellington W	31,339	3,030	34,369		—	34,369	100.0%
425 Adelaide W	70,863	3,809	74,672		917	73,755	98.8%
425-439 King W	66,486	23,214	89,700		6,599	83,101	92.6%
432 Wellington W	—	8,997	8,997		—	8,997	100.0%
422-424 Wellington W	—	15,316	15,316		—	15,316	100.0%
441-443 King W	6,377	2,904	9,281		—	9,281	100.0%
445-455 King W	31,523	16,304	47,827		15,648	32,179	67.3%
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	55,154	—	55,154		18,768	36,386	66.0%
469 King W [(5)]	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		30,417	35,311	53.7%
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	296,048	1,850	297,898		48,042	249,856	83.9%
579 Richmond W	26,818	—	26,818		—	26,818	100.0%

DECEMBER 31, 2024 PROPERTIES	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased	Total Leased	Leased %
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	77,913	8,240	86,153		19,556	66,597	77.3%
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%
The Well - 8 Spadina (1)(5)	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)(5)	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)(5)	—	126,964	126,964		2,008	124,956	98.4%
The Well - Wellington Market (1)	—	11,858	11,858		1,850	10,008	84.4%
King West Central	**1,703,742**	**419,536**	**2,123,278**	**14.8%**	**197,829**	**1,925,449**	**90.7%**
117 & 119 John	—	7,562	7,562		—	7,562	100.0%
19 Duncan	149,230	3,570	152,800		—	152,800	100.0%
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		3,782	67,115	94.7%
180 John	45,631	—	45,631		—	45,631	100.0%
217 Richmond W	31,200	21,670	52,870		2,898	49,972	94.5%
257 Adelaide W	37,927	—	37,927		18,325	19,602	51.7%
312 Adelaide W	66,781	1,227	68,008		2,294	65,714	96.6%
331-333 Adelaide W	19,058	3,725	22,783		—	22,783	100.0%
358-360 Adelaide W	50,786	—	50,786		28,911	21,875	43.1%
388 King W	12,170	19,040	31,210		10,122	21,088	67.6%
82 Peter	38,583	6,846	45,429		30,937	14,492	31.9%
99 Spadina	51,141	—	51,141		13,387	37,754	73.8%
QRC West - 134 Peter	298,782	8,213	306,995		8,848	298,147	97.1%
QRC West - 375-381 Queen W	79,488	16,407	95,895		—	95,895	100.0%
QRC West - 364 Richmond W	37,696	—	37,696		—	37,696	100.0%
Union Centre	41,787	—	41,787		4,952	36,835	88.1%
Entertainment District	**1,035,919**	**89,913**	**1,125,832**	**7.9%**	**124,456**	**1,001,376**	**88.9%**

DECEMBER 31, 2024 PROPERTIES	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased	Total Leased	Leased %
110 Yonge [2]	78,297	2,376	80,673		13,107	67,566	83.8%
175 Bloor E [3]	296,409	9,165	305,574		92,314	213,260	69.8%
193 Yonge	34,349	16,898	51,247		—	51,247	100.0%
525 University	199,115	9,469	208,584		17,988	190,596	91.4%
Downtown	**608,170**	**37,908**	**646,078**	**4.5%**	**123,409**	**522,669**	**80.9%**
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		5,264	38,645	88.0%
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		8,579	25,987	75.2%
54 Esplanade	—	9,038	9,038		—	9,038	100.0%
56 Esplanade	59,270	22,137	81,407		26,581	54,826	67.3%
60 Adelaide E	106,082	4,608	110,690		8,720	101,970	92.1%
65 Front E	14,452	5,999	20,451		8,505	11,946	58.4%
70 Esplanade	19,590	6,109	25,699		7,517	18,182	70.7%
St. Lawrence Market	**339,925**	**122,404**	**462,329**	**3.2%**	**65,166**	**397,163**	**85.9%**
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		2,190	—	—%
204-214 King E	115,086	13,837	128,923		36,045	92,878	72.0%
230 Richmond E	73,542	—	73,542		—	73,542	100.0%
252-264 Adelaide E	39,413	2,582	41,995		7,535	34,460	82.1%
70 Richmond E	28,463	—	28,463		5,307	23,156	81.4%
QRC East - 111 Queen E	190,949	20,732	211,681		11,581	200,100	94.5%
Queen Richmond	**453,659**	**37,151**	**490,810**	**3.4%**	**62,658**	**428,152**	**87.2%**
Toronto	**4,495,295**	**719,424**	**5,214,719**	**36.4%**	**636,862**	**4,577,857**	**87.8%**
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]	66,283	—	66,283		1,547	64,736	97.7%
72 Victoria	90,024	—	90,024		2,330	87,694	97.4%
The Tannery - 151 Charles W	306,562	25,810	332,372		135,204	197,168	59.3%
Kitchener	**683,205**	**25,810**	**709,015**	**5.0%**	**139,081**	**569,934**	**80.4%**
Toronto & Kitchener	**5,178,500**	**745,234**	**5,923,734**	**41.4%**	**775,943**	**5,147,791**	**86.9%**

DECEMBER 31, 2024 PROPERTIES	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased	Total Leased	Leased %
1001 Boulevard Robert-Bourassa [5]	686,157	9,742	695,899		—	695,899	100.0%
1010 Sherbrooke W	328,982	1,665	330,647		40,503	290,144	87.8%
400 Atlantic [5]	58,406	5,795	64,201		—	64,201	100.0%
425 Viger	307,201	9,160	316,361		—	316,361	100.0%
451-481 Saint-Catherine W	21,044	9,983	31,027		8,823	22,204	71.6%
5445 de Gaspé	483,699	886	484,585		—	484,585	100.0%
5455 de Gaspé	466,853	22,562	489,415		30,365	459,050	93.8%
5505 Saint-Laurent	243,788	2,221	246,009		2,221	243,788	99.1%
6300 Parc	184,777	3,933	188,710		21,343	167,367	88.7%
La Cité - 645 Wellington	128,693	7,421	136,114		6,117	129,997	95.5%
700 Saint Antoine	107,320	17,957	125,277		17,500	107,777	86.0%
700 Saint-Hubert	143,849	—	143,849		43,906	99,943	69.5%
La Cité - 740 Saint-Maurice	68,703	—	68,703		—	68,703	100.0%
747 Square-Victoria [5]	498,919	25,963	524,882		51,444	473,438	90.2%
La Cité - 111 Boulevard Robert-Bourassa	359,039	12,571	371,610		193,343	178,267	48.0%
La Cité - 50 Queen	26,996	—	26,996		10,136	16,860	62.5%
La Cité - 700 Wellington	135,232	—	135,232		20,912	114,320	84.5%
La Cité - 75 Queen	253,311	2,513	255,824		75,008	180,816	70.7%
La Cité - 80 Queen	69,247	—	69,247		2,312	66,935	96.7%
La Cité - 87 Prince	99,089	1,040	100,129		4,345	95,784	95.7%
El Pro Lofts - 644 Courcelle	145,126	8,940	154,066		47,806	106,260	69.0%
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	788,806	39,010	827,816		108,245	719,571	86.9%
RCA Building - 1001 Lenoir [5]	137,645	1,519	139,164		—	139,164	100.0%
Montréal	**5,783,325**	**182,881**	**5,966,206**	**41.7%**	**684,329**	**5,281,877**	**88.5%**
613 11th SW	—	4,288	4,288		—	4,288	100.0%
617 11th SW	3,230	6,306	9,536		3,088	6,448	67.6%
Alberta Block - 805 1st SW	9,094	22,037	31,131		3,163	27,968	89.8%
Alberta Hotel - 808 1st SW	27,808	20,424	48,232		2,326	45,906	95.2%
Atrium on Eleventh - 625 11th SE	34,390	1,373	35,763		4,204	31,559	88.2%
Biscuit Block - 438 11th SE	51,298	—	51,298		5,988	45,310	88.3%
Burns Building - 237 8th SE	67,360	7,423	74,783		25,805	48,978	65.5%

DECEMBER 31, 2024 PROPERTIES	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased	Total Leased	Leased %
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		—	14,253	100.0%
Demcor Tower - 239 10th SE	25,342	—	25,342		9,346	15,996	63.1%
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	14,155	3,501	17,656		3,501	14,155	80.2%
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%
Odd Fellows - 100 6th SW	33,487	—	33,487		—	33,487	100.0%
Pilkington Building - 402 11th SE	40,018	—	40,018		—	40,018	100.0%
Roberts Block - 603-605 11th SW	23,618	27,499	51,117		11,922	39,195	76.7%
Sherwin Block - 738 11th SW	18,319	8,176	26,495		—	26,495	100.0%
Telephone Building - 119 6th SW	63,064	—	63,064		46,205	16,859	26.7%
Theatre Grand - 608 1st Street SW	—	34,100	34,100		—	34,100	100.0%
The Lougheed Building - 604 1st Street SW	87,778	—	87,778		74,284	13,494	15.4%
Vintage Towers - 322-326 11th SW	188,620	23,717	212,337		5,062	207,275	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	**961,155**	**214,788**	**1,175,943**	**8.2%**	**224,923**	**951,020**	**80.9%**
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	161,676	4,869	166,545		44,474	122,071	73.3%
1286 Homer	21,004	4,609	25,613		10,531	15,082	58.9%
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%

DECEMBER 31, 2024 PROPERTIES	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased	Total Leased	Leased %
2233 Columbia	21,591	6,852	28,443		—	28,443	100.0%
375 Water [5]	98,303	24,114	122,417		—	122,417	100.0%
840 Cambie	89,377	—	89,377		—	89,377	100.0%
948-950 Homer	23,245	21,758	45,003		—	45,003	100.0%
Dominion Building - 207 West Hastings	62,238	12,646	74,884		9,874	65,010	86.8%
Sun Tower - 128 West Pender	76,392	1,693	78,085		20,810	57,275	73.3%
400 West Georgia	340,846	6,546	347,392		63,772	283,620	81.6%
Vancouver	**1,089,573**	**161,317**	**1,250,890**	**8.7%**	**153,052**	**1,097,838**	**87.8%**
Total Rental Portfolio	**13,012,553**	**1,304,220**	**14,316,773**	**100.0%**	**1,838,247**	**12,478,526**	**87.2%**

Note that the table above does not include ancillary residential properties, which total 12, and are included in the property count. The table above also excludes properties under development and investment properties held for sale. For joint arrangements, the information reflected in the table above is at Allied's ownership interest.

(1) RioCan/Allied Joint Arrangement.
(2) Sutter Hill/Allied Joint Arrangement.
(3) OPTrust/Allied Joint Arrangement.
(4) Perimeter/Allied Joint Arrangement.
(5) 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.

RESIDENTIAL UNITS

PROPERTY	SUITES UNDER DEVELOPMENT	SUITES IN RENTAL PORTFOLIO	TOTAL NUMBER OF SUITES	LEASED AT DECEMBER 31, 2024	LEASED AT DECEMBER 31, 2023
TELUS Sky (Calgary House) [1]	**—**	**326**	**326**	**91.8%**	79.8%
19 Duncan (Toronto House) [2]	**218**	**246**	**464**	**15.7%**	—%
	218	**572**	**790**		

(1) The number of suites is at 100% ownership.
(2) Of the 246 suites in the rental portfolio, 95 suites are rent ready, of which 35 suites are leased.

PROPERTIES UNDER DEVELOPMENT

	ESTIMATED GLA ON COMPLETION (SF)
The Well, Toronto (1)(2)	744,000
400 Atlantic, Montréal (2)	27,443
Boardwalk-Revillon Building, Edmonton	294,710
185 Spadina, Toronto	55,213
342 Water, Vancouver	21,640
375 Water, Vancouver (2)	54,681
19 Duncan, Toronto (1)(2)(3)	440,800
1001 Boulevard Robert-Bourassa, Montréal (2)	296,493
RCA Building, Montréal (2)	205,456
KING Toronto, Toronto (1)(4)	100,000
108 East 5th Avenue, Vancouver (1)	102,000
3575 Saint-Laurent, Montréal	184,453
365 Railway, Vancouver	60,000
Kipling Square, Calgary	48,502
469 King St W, Toronto (2)	18,485
747 Square-Victoria, Montréal (2)	45,735
Total Development Portfolio	**2,699,611**

(1) These properties are co-owned, reflected in the table above at Allied's ownership interest.
(2) The GLA represents the portion under development. The exceptions are The Well and 19 Duncan, which are ground-up developments, so the GLA includes the portion under development and in the rental portfolio.
(3) On April 1, 2024 and December 20, 2024, Allied purchased an incremental 45% and 5% undivided interest, respectively, in 19 Duncan, increasing Allied's total ownership in 19 Duncan to 100%.
(4) 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.

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.

Consolidated Financial Statements For the Years Ended December 31, 2024 and 2023

Management's Statement of Responsibility for Financial Reporting

The accompanying consolidated financial statements, management's discussion and analysis of results of operations and financial condition and the annual report are the responsibility of the Management of Allied Properties Real Estate Investment Trust ("Allied"). The consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and where appropriate, include amounts which are based on judgments, estimates and assumptions of Management.

Management has developed and maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition, and liabilities are recognized.

The Board of Trustees (the "Board") is responsible for ensuring that Management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee (the "Committee"), which is comprised entirely of independent trustees. The Committee reviews the consolidated financial statements with both Management and the independent auditors. The Committee reports its findings to the Board, which approves the consolidated financial statements before they are submitted to the Unitholders of Allied.

Deloitte LLP (the "Auditors"), the independent auditors of Allied, have audited the consolidated financial statements of Allied in accordance with Canadian generally accepted auditing standards to enable them to express to the Unitholders their opinion on the consolidated financial statements. The Auditors have direct and full access to, and meet periodically with the Committee, both with and without Management present.

Cecilia C. Williams, CPA, CA
President and Chief Executive Officer

Nanthini Mahalingam, CPA
Senior Vice President and Chief Financial Officer

Independent Auditor's Report

TO THE UNITHOLDERS AND THE BOARD OF TRUSTEES
ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST

OPINION

We have audited the consolidated financial statements of Allied Properties Real Estate Investment Trust (the "Trust"), which comprise the consolidated balance sheets as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

FAIR VALUE OF INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES HELD FOR SALE — REFER TO NOTES 2(D), 3, AND 5 OF THE FINANCIAL STATEMENTS

KEY AUDIT MATTER DESCRIPTION

Investment properties and Investment properties held for sale (collectively, "Investment properties") are accounted for using the fair value model. The Trust predominantly uses the discounted cash flow ("DCF") method to estimate fair value and uses the comparable sales method primarily for properties under development. The critical assumptions relating to the Trust's estimates of fair values of investment properties include discount rates, terminal capitalization rates, and anticipated cash flow assumptions relating to occupancy and rental rates.

While there are several assumptions that are required to determine the fair value of all investment properties using the DCF method, the critical assumptions with the highest degree of subjectivity and impact on fair values are the anticipated rental rates, discount rates, and terminal capitalization rates. Auditing these critical assumptions required a high degree of auditor judgment as the estimations made by management contain significant measurement uncertainty. This resulted in an increased extent of audit effort, including the need to involve fair value specialists.

HOW THE KEY AUDIT MATTER WAS ADDRESSED IN THE AUDIT

Our audit procedures related to the anticipated rental rates, discount rates and terminal capitalization rates used to determine the fair value of the investment properties included the following, among others:

- Evaluated the reasonableness of management's forecast of anticipated rental rates by considering in-place leases, recently executed market leases and market survey reports.
- With the assistance of fair value specialists, evaluated the reasonableness of management's forecast of anticipated rental rates, discount rates and terminal capitalization rates by considering recent market transactions and industry surveys.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis of Results of Operations and Financial Condition
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis of Results of Operations and Financial Condition and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report

to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Trust to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Craig Irwin.

/s/ Deloitte LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

TORONTO, ONTARIO
FEBRUARY 4, 2025

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

(in thousands of Canadian dollars)	NOTES	DECEMBER 31, 2024	DECEMBER 31, 2023
Assets			
Non-current assets			
Investment properties	5	**$9,448,363**	$9,387,032
Residential inventory	7	**221,004**	209,783
Investment in joint venture	8	**—**	8,866
Loans and notes receivable	9	**191,045**	321,371
Other assets	10	**36,642**	48,528
		$9,897,054	$9,975,580
Current assets			
Cash and cash equivalents	21	**73,918**	211,069
Loan receivable from joint venture	8	**—**	93,291
Loans and notes receivable	9	**235,532**	188,382
Accounts receivable, prepaid expenses and deposits	11	**137,645**	140,963
Investment properties held for sale	5	**259,830**	—
		$706,925	$633,705
Total assets		**$10,603,979**	$10,609,285
Liabilities			
Non-current liabilities			
Debt	12	**$3,418,246**	$3,510,366
Lease liabilities	13	**8,384**	50,639
Other liabilities	14	**52,297**	48,784
		$3,478,927	$3,609,789
Current liabilities			
Exchangeable LP Units	17	**202,527**	238,309
Debt	12	**985,129**	149,245
Accounts payable and other liabilities	14	**367,731**	476,863
Lease liability held for sale	13	**7,021**	—
		$1,562,408	$864,417
Total liabilities		**$5,041,335**	$4,474,206
Equity			
Unitholders' equity	16	**$5,562,644**	$6,135,079
Non-controlling interests	16	**—**	—
Total equity		**$5,562,644**	$6,135,079
Total liabilities and equity		**$10,603,979**	$10,609,285

Commitments and Contingencies (note 27)
The accompanying notes are an integral part of these consolidated financial statements.

Michael R. Emory
Trustee

Stephen L. Sender
Trustee

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

		YEAR ENDED	
(in thousands of Canadian dollars)	NOTES	DECEMBER 31, 2024	DECEMBER 31, 2023
Rental revenue	19, 23	$592,040	$563,980
Property operating costs	23	(263,566)	(246,949)
Operating income		$328,474	$317,031
Interest income		45,069	53,605
Interest expense	12 (f)	(116,467)	(107,073)
General and administrative expenses	20, 26 (c)	(24,333)	(23,577)
Condominium marketing expenses		(134)	(538)
Amortization of other assets	10	(1,538)	(1,499)
Transaction costs	4	(1,722)	(167)
Net income (loss) from joint venture	8	1,842	(15,622)
Fair value loss on investment properties and investment properties held for sale	5, 6	(557,569)	(772,652)
Fair value gain on Exchangeable LP Units	17, 26 (c)	35,782	28,696
Fair value loss on derivative instruments	26 (e)	(13,675)	(8,535)
Impairment of residential inventory	7	(38,259)	(15,376)
Net loss and comprehensive loss from continuing operations		$(342,530)	$(545,707)
Net income and comprehensive income from discontinued operations	6	$—	$124,991
Net loss and comprehensive loss		$(342,530)	$(420,716)
Net loss and comprehensive loss attributable to:			
Unitholders' equity		$(342,530)	$(425,713)
Non-controlling interests		—	4,997
		$(342,530)	$(420,716)

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

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENTS OF EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

		ATTRIBUTABLE TO UNITHOLDERS				ATTRIBUTABLE TO NON-CONTROLLING INTERESTS			
(in thousands of Canadian dollars)	NOTES	UNITS	RETAINED EARNINGS	CONTRIBUTED SURPLUS	UNITHOLDERS' EQUITY	EXCHANGEABLE LP UNITS	RETAINED EARNINGS (DEFICIT)	EXCHANGEABLE LP UNITS' EQUITY	TOTAL 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) income and comprehensive (loss) income		—	(425,713)	—	(425,713)	—	4,997	4,997	(420,716)
Distributions	16	—	(291,740)	—	(291,740)	—	(8,857)	(8,857)	(300,597)
Distribution in units	16	639,780	(639,780)	—	—	—	—	—	—
Contributed surplus – Unit Option Plan	18 (a)	—	—	389	389	—	—	—	389
Restricted Unit Plan (net of forfeitures)	16, 18 (b)	(2,250)	—	2,420	170	—	—	—	170
Reclassification of Exchangeable LP Units	2 (l)	—	270,807	—	270,807	(550,660)	12,848	(537,812)	(267,005)
Balance at December 31, 2023		$4,546,908	$1,550,518	$37,653	$6,135,079	$—	$—	$—	$6,135,079

		ATTRIBUTABLE TO UNITHOLDERS				**ATTRIBUTABLE TO NON-CONTROLLING INTERESTS**			
	NOTES	**UNITS**	**RETAINED EARNINGS**	**CONTRIBUTED SURPLUS**	**UNITHOLDERS' EQUITY**	**EXCHANGEABLE LP UNITS**	**RETAINED EARNINGS**	**EXCHANGEABLE LP UNITS' EQUITY**	**TOTAL 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		**—**	**(342,530)**	**—**	**(342,530)**	**—**	**—**	**—**	**(342,530)**
Distributions	**16**	**—**	**(230,321)**	**—**	**(230,321)**	**—**	**—**	**—**	**(230,321)**
Contributed surplus – Unit Option Plan	**18 (a)**	**—**	**—**	**104**	**104**	**—**	**—**	**—**	**104**
Restricted Unit Plan (net of forfeitures)	**16, 18 (b)**	**(1,712)**	**—**	**2,024**	**312**	**—**	**—**	**—**	**312**
Balance at December 31, 2024		**$4,545,196**	**$977,667**	**$39,781**	**$5,562,644**	**$—**	**$—**	**$—**	**$5,562,644**

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

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

		YEAR ENDED	
(in thousands of Canadian dollars)	NOTES	DECEMBER 31, 2024	DECEMBER 31, 2023
Operating activities			
Net loss for the year		$(342,530)	$(420,716)
Fair value loss on investment properties and investment properties held for sale	5	557,569	663,803
Fair value gain on Exchangeable LP Units	17, 26 (c)	(35,782)	(28,696)
Fair value loss on derivative instruments	26 (e)	13,675	8,535
Impairment of residential inventory	7	38,259	15,376
Interest expense (net of the impact of capitalization)	12 (f)	116,467	111,506
Interest paid (net of the impact of capitalization)	5, 7, 13, 17, 21	(110,271)	(97,379)
Interest income		(45,069)	(53,605)
Interest received		28,615	41,201
Net (income) loss from joint venture	8	(1,842)	15,622
Amortization of other assets	10	1,538	1,499
Amortization of improvement allowances	5	36,975	31,456
Amortization of straight-line rent	5	(7,410)	(9,579)
Amortization of (premium) discount on debt	12 (f)	(231)	3,976
Amortization of net financing costs	12 (f)	3,547	2,865
Unit-based compensation expense	18, 26 (c)	5,283	4,137
Settlement of unit-based compensation liabilities	18 (c)	(2,264)	(127)
Additions to residential inventory	7	(49,480)	(37,887)
Change in other non-cash operating items	9, 11, 14, 21	(59,212)	68,899
Cash provided by operating activities		$147,837	$320,886
Financing activities			
Proceeds from new mortgage payable	12 (a)	393,000	15,034
Repayment of mortgages payable	12 (a)	(49,332)	(15,347)
Proceeds from senior unsecured debentures (net of financing costs)	12 (d)	248,742	—
Principal payments of lease liabilities	13	(277)	(212)
Distributions paid on Units	16	(291,740)	(229,783)
Restricted Unit Plan (net of forfeitures)	16, 18 (b)	(1,712)	(2,250)
Repayment of promissory note payable	12 (c)	—	(200,000)
Proceeds from Unsecured Revolving Operating Facility	12 (c)	465,000	310,000
Repayments of Unsecured Revolving Operating Facility	12 (c)	(465,000)	(750,000)
Proceeds from construction loans	12 (b)	52,723	83,288
Repayment of construction loan	12 (b)	(250,964)	—
Financing costs	12 (a), (d), (e)	(3,963)	(1,390)
Cash provided by (used in) financing activities		$96,477	$(790,660)

(in thousands of Canadian dollars)	NOTES	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
Investing activities			
Acquisition of investment properties	**4, 21**	**(50,338)**	—
Additions to investment properties (including capitalized interest)	**5, 12 (f)**	**(272,955)**	(438,957)
Net proceeds on disposition of investment properties and investment properties held for sale	**4**	**144,366**	1,277,055
Net distributions from equity accounted investments	**8**	**10,708**	2,597
Loans receivable issued to third-parties	**9 (a), 21**	**(105,032)**	(70,398)
Loans receivable from joint venture repaid	**8**	**14,981**	—
Notes receivable (advanced) repaid	**9 (b)**	**(1,929)**	24
Advances on note receivable from holder of Exchangeable LP Units	**12 (f), 17**	**(26,925)**	(21,207)
Additions to equipment and other assets	**10**	**(958)**	(1,836)
Leasing commissions	**5**	**(20,136)**	(16,580)
Improvement allowances	**5**	**(73,247)**	(70,845)
Cash (used in) provided by investing activities		**$(381,465)**	$659,853
(Decrease) increase in cash and cash equivalents		**(137,151)**	190,079
Cash and cash equivalents, beginning of year		**211,069**	20,990
Cash and cash equivalents, end of year		**$73,918**	$211,069

Note 21 contains supplemental cash flow information.
The accompanying notes are an integral part of these consolidated financial statements.

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 consolidated financial statements are presented in Canadian dollars.

(a) *Statement of compliance*

The consolidated financial statements of Allied for the years ended December 31, 2024 and 2023, are prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The policies set out below were consistently applied to all the years presented unless otherwise noted.

The preparation of financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting judgments, estimates and assumptions that affect the amounts reported. Allied's basis for applying judgments, estimates and assumptions to its accounting policies are described in note 2 and 3 below.

The consolidated financial statements for the years ended December 31, 2024 and 2023, were approved and authorized for issue by the Board of Trustees (the "Board") on February 4, 2025.

(b) *Basis of presentation*

The consolidated financial statements have been prepared on a historical cost basis except for the following items that were measured at fair value:

- investment properties as described in note 2 (d) and note 5;
- investment properties held for sale and lease liability held for sale as described in note 2 (s);
- Exchangeable LP Units which are exchangeable for Units at the option of the holder as described in note 17;
- interest rate swaps as described in note 2 (i);
- total return swap as described in note 2 (i); and
- unit-based compensation liabilities as described in note 18 (c).

The consolidated financial statements are presented in Canadian dollars, which is Allied's functional currency, and all amounts are rounded to the nearest thousand, unless otherwise indicated.

The preparation of these consolidated financial statements requires Allied to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates is pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. Significant estimates and assumptions include the fair values assigned to investment properties and investment properties held for sale, the impairment of residential inventory, interest rate derivative contracts, unit-based compensation liabilities, and allowances for expected credit losses.

(c) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of Allied and its subsidiaries.

Subsidiaries are all entities over which Allied has control, where control is defined as the power to direct the relevant activities of an entity so as to obtain benefit from its activities. Control exists when a parent company is exposed to, or has rights to, variable returns from the subsidiaries and has the ability to affect those returns through its power.

Subsidiaries are consolidated from the date control is transferred to Allied, and are de-consolidated from the date control ceases. Intercompany transactions between subsidiaries are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by Allied. All subsidiaries have a reporting date of December 31.

(d) *Investment properties*

At the time of acquisition of a property, Allied applies judgment when determining if the acquisition is an asset acquisition or a business combination.

Allied classifies its acquisitions as asset acquisitions when it acquires a property or a portfolio of properties and it has not acquired an operating platform.

Investment properties include rental properties and properties under development that are owned by Allied, or leased by Allied as a lessee, to earn rental revenue and/or for capital appreciation. Investment properties are accounted for using the fair value model. Rental income and operating expenses from investment properties are reported within 'total revenue' and 'total operating expenses' respectively.

Where Allied has completed an acquisition of an asset, Allied uses the asset purchase model whereby the initial cost of an investment property is comprised of its purchase price and any directly attributable expenditures. Directly attributable expenditures include transaction costs such as due diligence costs, appraisal fees, environmental fees, legal fees, land transfer taxes, and brokerage fees.

At the time of the disposition of a property, Allied recognizes any directly attributable expenditures that are non-reimbursable as an expense in the Consolidated Statements of Loss and Comprehensive Loss. Directly attributable expenditures include transaction costs such as due diligence costs, appraisal fees, environmental fees, legal fees, and brokerage fees.

Investment properties are externally appraised quarterly and are reported in the Consolidated Balance Sheets at their fair values. Allied's determination of fair value is supported by valuations prepared by a nationally recognized and qualified third-party professional appraiser with sufficient experience with respect to both the geographic location and the nature of the investment property and supported by market evidence. Any gain or loss resulting from a change in the fair value of an investment property is immediately recognized in the Consolidated Statements of Loss and Comprehensive Loss. The fair value of each investment property is based upon, among other things, rental income from current leases and assumptions about rental income from future leases reflecting market conditions at the balance sheet date, less future estimated non-recoverable capital cash outflows in respect of such properties.

The independent professional appraiser engaged by Allied predominantly uses the discounted cash flow method to determine fair value, whereby the income and expenses are projected over the anticipated term of the investment and combined with a terminal value, all of which is discounted using an appropriate discount rate. Properties under development are measured using both a comparable sales method and a discounted cash flow method, net of costs to complete, as of the balance sheet date. For further details on methods used, refer to note 5. Valuations of investment properties are most sensitive to changes in discount rates and capitalization rates.

Allied has applied judgment based on the costs incurred to enhance the service potential of the property in determining whether certain costs are additions to the carrying amount of investment properties or will be expensed.

Allied has applied judgment when reporting its properties under development. The cost of properties under development includes the acquisition cost of the property, direct development costs, operating costs, realty taxes and borrowing costs attributable to the development. See 2 (g) below for further information regarding Allied's accounting for borrowing costs.

(e) *Joint arrangements*

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Joint operation

A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement. A joint operation usually results from direct interests in the assets and liabilities of an investee. None of the parties involved have unilateral control of a joint operation. Allied accounts for its joint arrangements as joint operations wherein it records its share of the assets, liabilities, revenue and expenses of the joint operations.

Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets relating to the arrangement, and usually results from the establishment of a separate legal entity. Allied accounts for its joint ventures using the equity method. The share of results of income (loss) of the joint venture is reflected in the Consolidated Statements of Loss and Comprehensive Loss.

Under the equity method, an investment in a joint venture is recognized initially in the Consolidated Balance Sheets at cost and adjusted thereafter to recognize Allied's share of the profit or loss and other comprehensive income of the joint venture in accordance with Allied's accounting policies. When Allied's share of losses of a joint venture exceeds Allied's interest in that joint venture (which includes any long-term interests that, in substance, form part of Allied's net investment in the joint venture), Allied continues recognizing its share of further losses to the extent that Allied has incurred legal or constructive obligations or made payments on behalf of the joint venture.

When Allied transacts with a joint venture, profits and losses resulting from the transactions with the joint venture are recognized in Allied's consolidated financial statements only to the extent of interests in the joint venture that are not related to Allied.

(f) *Revenue recognition*

Allied has retained substantially all of the risks and benefits of ownership of its investment properties and as such accounts for its leases with tenants as operating leases.

Revenue includes rents from tenants under leases, property tax and operating cost recoveries, percentage participation rents, lease cancellation fees, parking income and other income. Rents from tenants may include free rent periods and rental increases over the term of the lease and are recognized in revenue on a straight-line basis over the term of the lease. Typically, in ground-up developments, when there are fixturing periods outside of the term of the lease, revenue is not recognized during these fixturing periods. The difference between revenue recognized and the cash received is included in investment properties as straight-line rent receivable.

Lease incentives provided to tenants (referred to as tenant improvements) are deferred and amortized on a straight-line basis against revenue over the term of the lease. Recoveries from tenants are recognized as revenue in the period in which the applicable costs are incurred. Percentage participation rents are recognized after the minimum sales level has been achieved with each lease, where applicable. Lease cancellation fees are recognized as revenue once an agreement is completed with the tenant to terminate the lease and the collectability is reasonably assured. Other income is recognized upon provision of goods or services when collectability is reasonably assured.

Contracts with customers for residential condominium units generally include one distinct performance obligation. Revenue is measured at the transaction price agreed under the contract, and is recognized at the point in time in which control over the property has been transferred. Customer deposits received are held in trust and restricted for use.

(g) *Borrowing costs*

Borrowing costs directly attributable to acquiring or constructing a qualifying investment property are capitalized. Capitalization commences when the activities necessary to prepare an asset for development or redevelopment begin, and ceases once the asset is substantially complete, or is suspended if the development of the asset is suspended. The amount of borrowing costs capitalized 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. Where borrowings are associated with specific developments, the amount capitalized is the gross costs incurred on those borrowings. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted.

(h) *Other assets*

Computer and office equipment and owner occupied property are included in other assets and are stated at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

For the assets that are amortized, Allied records amortization expense on a straight-line basis over the assets' estimated useful life. This is generally three to seven years for computer and office equipment, and will vary for owner occupied property depending on the property. The assets' residual values and useful lives are reviewed annually or if expectations differ from previous estimates, and adjusted if appropriate.

When events and circumstances indicate an asset may be impaired, the carrying amount is written down immediately to its recoverable amount (defined as the higher of an asset's fair value less costs to sell and its value in use).

(i) *Financial instruments*

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with maturities of six months or less.

Mortgages payable consists of the legal liabilities owing pursuant to loans secured by mortgages and premiums and discounts recognized on loans assumed on acquisition of properties, netted against the transaction costs, and the effective interest method of amortization is applied to the premiums, discounts and transaction costs.

The following table describes Allied's classification and measurement of its financial assets and liabilities:

ASSET/LIABILITY	CLASSIFICATION/MEASUREMENT
Loans and notes receivable	Amortized cost
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Exchangeable LP Units	Fair value
Debt	Amortized cost
Accounts payable and other liabilities	Amortized cost
Unit-based compensation liabilities	Fair value
Interest rate swaps	Fair value
Total return swap	Fair value

Allied designated its accounts receivable, loans and notes receivable, and cash and cash equivalents as loans and receivables; its debt and accounts payable and other liabilities as other financial liabilities. All derivatives, including embedded derivatives, are classified at fair value through profit or loss and are recorded on the Consolidated Balance Sheets at fair value.

At the end of each reporting period, Allied will reassess categorization between levels in the hierarchy to determine whether transfers have occurred. The reassessment is based on the lowest level input that is significant to the fair value measurement in its entirety.

Financial assets

Financial assets are classified as amortized cost or fair value through profit or loss. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets, with the exception of those classified as at fair value through profit or loss, are accounted for as part of the respective asset's carrying value at inception and amortized over the expected life of the financial instrument using the effective interest method. Transaction costs directly attributable to the acquisition or issuance of financial assets classified as at fair value through profit or loss are recognized immediately in net income.

Impairment of financial assets

Allied assesses, on a continual basis, whether a financial asset that is measured at amortized cost is impaired under an expected credit loss ("ECL") model. For user trade receivables within the scope of IFRS 16, Allied applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized under the initial recognition of its receivables. To measure the expected credit losses for its accounts receivable, Allied established a provision matrix, that applies loss factors to contractual payments by aging categories, and incorporates forward-looking factors that are specific to the tenant, historical credit loss experience, and the economic environment, where applicable.

For loans and notes receivable, Allied applies an ECL approach as required under IFRS 9, which reflects the present value of all cash shortfalls related to default events either (i) over the following twelve months or (ii) over the expected life of a financial instrument depending on the credit deterioration from inception. The ECL reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonable and supportable forecasts. Allied assesses whether there has been a significant increase in credit risk since initial recognition of a financial instrument and its ECL measurement at each reporting date. Increases or decreases in the ECL are recognized as impairment gains or losses within interest (expense) income in net income (loss) and comprehensive income (loss). Allied's financial assets measured at amortized cost are presented net of the ECL in the Consolidated Balance Sheets.

Financial liabilities

Financial liabilities are classified and measured as disclosed in the table above. Financial liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through profit or loss, that are carried subsequently at fair value with gains or losses recognized in profit or loss.

From time to time, Allied uses derivative financial instruments to manage risks from fluctuations in interest rates. All derivative instruments, including embedded derivatives that must be separately accounted for, are valued at their respective fair values unless they are effective cash flow hedging instruments.

On the date a derivative contract is entered into, Allied assesses whether or not to designate the derivative as either a hedge of the fair value of a recognized asset or liability (a "fair-value hedge") or a hedge of the variability of cash flows to be received or paid related to a recognized asset or liability or a forecasted transaction (a "cash-flow hedge"). Allied does not hold any fair-value or cash-flow hedges.

Allied has entered into interest rate derivative contracts to limit its exposure to fluctuations in the interest rates on variable rate mortgages, unsecured term loans and construction loans. Gains or losses arising from the change in fair values of the interest rate derivative contracts are recognized in the Consolidated Statements of Loss and Comprehensive Loss.

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, interest expense incurred and distributions earned on the TRS, are recognized in general and administrative expenses in the Consolidated Statements of Loss and Comprehensive Loss.

Allied measures its Exchangeable LP Units at fair value through profit or loss (note 2(l)).

Allied measures its debt, finance lease obligations, and accounts payable and other liabilities, at amortized cost using the effective interest method. All interest-related charges are reported in the Consolidated Statements of Loss and Comprehensive Loss and are included within 'Interest expense', except for those interest-related charges capitalized to qualifying properties under development, rental properties or residential inventory.

(j) *Unitholders' equity*

Unitholders' equity includes all current and prior period retained income. Distributions payable to Unitholders are included in 'Distributions payable on Units' when the distributions have been approved and declared prior to the reporting date, but have yet to be paid.

(k) *Units*

Units represent the initial value of Units that have been issued. Any transaction costs associated with the issuing of Units are deducted from Unit proceeds.

On the conversion of Allied to an open-end trust on June 12, 2023, the Units of Allied are redeemable at the option of the holder in accordance with the Declaration of Trust, and, therefore, are considered puttable instruments in accordance with IAS 32, "Financial Instruments - Presentation" ("IAS 32"). Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 32, in which case, the puttable instruments may be presented as equity.

The attributes of the Units meet the exemption conditions set out in IAS 32, and are, therefore, presented as equity in the consolidated financial statements.

(l) *Exchangeable Limited Partnership Units*

The Exchangeable LP Units may, at the request of the holder, be exchanged on a one-for-one basis for Units of Allied. The Exchangeable LP Units are entitled to distributions from the Partnership in an amount equal to distributions declared by Allied on the Units. The Exchangeable LP Units provide the holder the indirect economic benefits and exposures to the underlying performance of Allied and accordingly to the variability of the distributions of Allied, whereas Allied's unitholders have direct access to the economic benefits and exposures of Allied through direct ownership interest in Allied. Prior to Allied's conversion to an open-end trust, the Exchangeable LP Units were presented within non-controlling interests in the 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 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 payable to holders of Exchangeable LP Units are included in 'Accounts payable and other liabilities' when the distributions have been approved and declared prior to the reporting date, but have yet to be paid. Prior to Allied's conversion to an open-end trust, the distributions paid on Exchangeable LP Units were recognized as reductions to equity that is attributable to non-controlling interests. On Allied's conversion to an open-end trust on June 12, 2023, the distributions paid on Exchangeable LP Units are recognized as interest expense on the Consolidated Statements of Loss and Comprehensive Loss.

(m) *Short-term employee benefits*

Allied does not provide pension plan benefits. Short-term employee benefits are expensed as a period expense.

(n) *Unit-based compensation plans*

Equity-settled unit-based payments to employees and trustees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled unit-based payments is expensed on a straight-line basis over the period during which the employee becomes unconditionally entitled to equity instruments, based on Allied's estimate of equity instruments that will eventually vest. At the end of each reporting period, Allied revises its estimate of the number of equity instruments that are expected to vest. Allied utilizes the Black-Scholes Model for the valuation of unit options with no performance criteria, see note 18 for assumptions used.

Unit options granted under the Unit Option Plan and Restricted Units granted under the Restricted Unit Plan are subject to vesting conditions and disposition restrictions, in order to provide a long term compensation incentive. The Unit Options and Restricted Units are subject to forfeiture until the participant has held their position with Allied for a specified period of time. Full vesting of Restricted Units and Unit Options may not occur until the participant has remained employed by Allied for three and four years, respectively from the date of grant. Upon forfeiture of Unit Options and Restricted Units by an employee or trustee of Allied, the expense related to any unvested, forfeited Unit Options and Restricted Units recognized up to and including the date of the forfeiture is reversed.

(o) *Cash-settled unit-based compensation plans*

Under the Performance and Restricted Trust Unit Plan (the “PTU/RTU Plan”), performance trust units and/or restricted trust units (together, “Plan Units”) are granted which entitle certain key employees to receive the fair value of the Plan Units in cash as a lump sum payment at the end of the applicable vesting period, which is usually three years in length. The PTU/RTU Plan provides for the accumulation of additional Plan Units in the form of distribution equivalents during the vesting period.

The Plan Units are recognized as an expense, on a straight-line basis over the period that the employees render service, in general and administrative expenses with a corresponding amount recorded to unit-based compensation liabilities. The unit-based compensation liabilities are measured based on the market value of the underlying units. During the periods in which the unit-based compensation liabilities are outstanding, the liabilities are adjusted for changes in the market value of the underlying units, with such positive or negative adjustments recognized in general and administrative expenses in the period in which they occur. For the performance trust units’ liabilities, performance market conditions are also considered and the performance trust unit liabilities are adjusted accordingly. Upon forfeiture of Plan Units by an employee, the liability representing the cumulative expense recognized to date is reversed with a corresponding reversal of expense.

(p) *Provisions*

Provisions are recognized when there is a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Allied does not have any provisions as of the date of this report.

(q) *Residential inventories*

Residential inventories are assets that are developed by Allied for sale in the ordinary course of business and are recorded at the lower of cost and estimated net realizable value. Impairment is reviewed at each reporting date, with any losses recognized in net income when the carrying value of the inventory exceeds its net realizable value. The net realizable value is defined as the entity-specific future selling price less estimated costs of completion and selling costs.

The cost of residential inventory includes any costs that are directly attributable to bring the projects to a state of active development, which includes borrowing costs. Borrowing costs related to residential inventories are accounted for under IAS 23, Borrowing Costs.

(r) *Leases*

Allied recognizes a right-of-use ("ROU") asset and a lease obligation at the lease commencement date, in accordance with IFRS 16, Leases. Allied accounts for its ROU assets that do not meet the definition of investment property as fixed assets. The ROU asset is initially measured at cost and, subsequently, at cost less any accumulated depreciation and impairment and adjusted for certain remeasurements of the lease obligation. When a ROU asset meets the definition of investment property, it is initially measured at cost and subsequently measured at fair value (note 2(d)). Land held as part of the operating leases ("Ground Leases") which meets the definition of investment property is classified as ROU assets within investment properties. Management office leases and leases for equipment components embedded as part of service contracts which do not meet the definitions of investment property are recognized as ROU assets within other real estate assets. Refer below to the various lease types identified and their respective financial statement classification.

TYPE OF LEASE	ROU ASSET CLASSIFICATION	ROU LIABILITY CLASSIFICATION
Ground leases	Investment properties	Lease liability
Management office	Other assets	Lease liability
Other	Other assets	Lease liability

The lease liability is initially measured at the present value of the lease payments at the commencement date, discounted by using the interest rate implicit in the lease, or, if that rate cannot be readily determined, at Allied's incremental borrowing rate. The lease obligation is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. The lease liability is remeasured when there is a change in the future lease payments arising from a change in an index or rate, a change in estimate of the amount expected to be payable under the residual value guarantee or, as appropriate, change in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Allied has applied judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal or termination options. The assessment of whether Allied is reasonably certain to exercise such options impacts the lease term which in turn, affects the amount of lease obligations and right-of-use assets recognized. Allied also applies judgment in determining the discount rate used to present value the lease obligations.

(s) *Assets and liabilities held for sale and discontinued operations*

Non-current assets and groups of assets and liabilities which comprise disposal groups are presented as assets held for sale on the Consolidated Balance Sheets when the asset or disposal group is available for immediate sale in its present condition and the sale is highly probable. A sale is highly probable when management is committed to a plan to sell the asset, the non-current asset or disposal group is being actively marketed at a sale price that is reasonable in relation to its current fair value, the sale is expected to be completed within one year from the date of classification, and it is unlikely there will be significant changes to the plan or that the plan will be withdrawn. Non-current assets and disposal groups held for sale that are not investment properties are recorded at the lower of carrying amount and fair value less costs to sell on the Consolidated Balance Sheets. Otherwise, the non-current assets and disposal groups held for sale are recorded at fair value. Any gain or loss arising from the change in measurement basis as a result of reclassification is recognized in net income at the time of reclassification. Investment properties that are held for sale are recorded at fair value determined in accordance with IFRS 13, "Fair Value Measurement".

When a component of an entity has been disposed of and it represents a separate major line of business or geographical area of operations, or is classified as held for sale and is part of a single coordinated plan to dispose of such a line of business or area of operations, the related results of operations and gain or loss on reclassification or disposition are presented separately as discontinued operations on the Consolidated Statements of Loss and Comprehensive Loss. The non-current assets and groups of assets and liabilities which comprise disposal groups classified as held for sale are not revised in the Consolidated Balance Sheets for prior periods to reflect the classification for the latest period presented. However, the revenue, expenses, fair value gain or loss, and any other components making up the net income and comprehensive income of the discontinued operations are revised for the comparative period in the Consolidated Statements of Loss and Comprehensive Loss.

(t) *Accounting standards effective in the year*

In January 2020, the International Accounting Standards Board ("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.

(u) *Accounting standards issued but not yet effective in the year*

In April 2024, the IASB issued IFRS 18, "Presentation and Disclosure in Financial Statements," which sets out the overall requirements for presentation and disclosures in the financial statements. The new standard will replace IAS 1. Although much of the substance of IAS 1 will carry over into the new standard, the new standard will:

- Require presentation of separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category;
- Require disclosure and reconciliation, within a single financial statement note, of management-defined performance measures that are reported outside of the financial statements; and
- Enhance the requirements for aggregation and disaggregation of financial statement amounts.

The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with earlier adoption permitted. Allied is currently assessing the impact of the new standard.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the 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 consolidated financial statements and accompanying notes.

Within the context of these consolidated financial statements, a judgment is a decision made by management in respect of the application of an accounting policy, a recognized or unrecognized financial statement amount and/or note disclosure, following an analysis of relevant information that may include estimates and assumptions. Estimates and assumptions are used mainly in determining the measurement of balances recognized or disclosed in the consolidated financial statements and are based on a set of underlying data that may include management's historical experience, knowledge of current events and conditions and other factors that are believed to be reasonable under the circumstances. Management continually evaluates the estimates and judgments it uses.

The following are the accounting policies subject to judgments and key sources of estimation uncertainty that Allied believes could have the most significant impact on the amounts recognized in the consolidated financial statements. Allied's material accounting policy information are disclosed in note 2.

Investment properties

Judgments Made in Relation to Accounting Policies Applied - Judgment is applied in determining whether certain costs are additions to the carrying value of investment properties, identifying the point at which substantial completion of a development property occurs, and identifying the directly attributable borrowing costs to be included in the carrying value of the development property. Allied also applies judgment in determining whether the properties it acquires are considered to be asset acquisitions or business combinations. Allied has determined through the appropriate analysis that all the properties it has acquired to date to be asset acquisitions.

Key Sources of Estimation - The fair value of investment properties and investment properties held for sale is dependent on available comparable transactions, future cash flows over the holding period and discount rates and capitalization rates applicable to those assets. For further details, see note 5. The review of anticipated cash flows involves assumptions relating to occupancy, rental rates and residual value. In addition to reviewing anticipated cash flows, management assesses changes in the business climate and other factors which may affect the ultimate value of the property. These assumptions may or may not ultimately be realized.

Residential Inventory

Key Sources of Estimation - The carrying value of residential inventory and the assessment for impairment of residential inventory are calculated as the estimated gross proceeds from the sale less estimated costs to complete. For further details, see note 7.

Joint arrangements

Judgments Made in Relation to Accounting Policies Applied - Judgment is applied in determining whether Allied has joint control and whether the arrangements are joint operations or joint ventures. In making this assessment management applies judgment to determine Allied's rights and obligations in the arrangement based on factors such as the structure, legal form and contractual terms of the arrangement.

Income taxes

Judgments Made in Relation to Accounting Policies Applied - Allied qualifies as a mutual fund trust ("MFT") and a REIT as defined in the Income Tax Act (Canada). Allied is not liable to pay entity level Canadian income taxes provided that its taxable income is fully distributed to Unitholders each year and if it meets the prescribed rules under the Income Tax Act (Canada) to be a REIT and MFT. This results in no current or deferred income tax being recognized in the financial statements.

Allied applies judgment in determining whether it will continue to qualify as a REIT and in assessing its interpretation and application to its assets and revenue. While there are uncertainties in interpretation and application of these rules, Allied believes it meets the REIT and MFT rules.

Allied expects to continue to qualify as a REIT under the Income Tax Act (Canada), however, should it no longer qualify, it would be subject to entity level tax and would be required to recognize current and deferred income taxes.

4. ACQUISITIONS AND DISPOSITIONS

Acquisitions

During the year ended December 31, 2024, Allied completed the following property acquisitions:

PROPERTY	ACQUISITION DATE	PROPERTY TYPE	INVESTMENT PROPERTY	INTEREST ACQUIRED
400 West Georgia, Vancouver (1)	April 1, 2024	Office, retail	$357,525	90%
19 Duncan, Toronto (2)	April 1, 2024	Office, residential, retail	248,382	45%
TELUS Sky (residential component), Calgary (1)(3)	December 19, 2024	Residential	78,390	50%
400 West Georgia, Vancouver (1)	December 20, 2024	Office, retail	37,436	10%
19 Duncan, Toronto (2)	December 20, 2024	Office, residential, retail	23,122	5%
			$744,855	

(1) Allied acquired a 90% interest in 400 West Georgia on April 1, 2024, and an incremental 10% interest on December 20, 2024, increasing Allied's total ownership in 400 West Georgia to 100%.

(2) 19 Duncan was previously known as Adelaide & Duncan. Allied acquired an incremental 45% interest and 5% interest in 19 Duncan on April 1, 2024 and December 20, 2024, respectively, increasing Allied's total ownership in 19 Duncan to 100%.

(3) Allied's one-third interest in the TELUS Sky Partnership was recognized as an investment in joint venture through an equity accounted investment prior to December 19, 2024. The total investment property value of $78,390 consists of $51,567 which represents Allied's existing one-third interest and $26,823 as the incremental one-sixth (approximately 16.7%) interest acquired.

On April 1, 2024, the purchase price, including acquisition costs, for 400 West Georgia and 19 Duncan of $605,907 was satisfied by construction loans assumed totalling $327,735 (note 12), the assumption of other liabilities of $29,262 related to completing the 19 Duncan development, working capital of $2,510, the settlement of a loan receivable due from the seller of $197,339 (note 9), and net cash consideration of $49,061, including land transfer taxes.

On July 2, 2013, Allied, Westbank, and TELUS entered into a partnership known as 7th Avenue Sky Partnership (the "TELUS Sky Partnership"), whereby each holds a one-third interest. The TELUS Sky Partnership was created with the specific purpose of acquiring the entire beneficial interest in the properties located at 100-114 7th Avenue SW, Calgary ("TELUS Sky"), and participating in its construction, development and management. On December 17, 2024, the TELUS Sky Partnership subdivided TELUS Sky to create separate parcels of land for the residential and commercial components. On December 19, 2024, the TELUS Sky Partnership sold the commercial component to TELUS and a 50% undivided interest in the residential component to each of Allied and Westbank. This resulted in a 16.7% increase in Allied's ownership in the residential component of TELUS Sky to 50% through a newly created co-ownership structure, which is proportionately consolidated. The total purchase price, including acquisition costs, for the 50% interest in the residential component of TELUS Sky of $78,390 was satisfied by working capital of $80 and partial settlement of the loan receivable from joint venture of $78,310 (note 8). As a result of the aforementioned transaction, the TELUS Sky Partnership no longer owns any interest in the residential and commercial components of TELUS Sky.

On December 20, 2024, the purchase price, including acquisition costs, for 400 West Georgia and 19 Duncan of $60,558 was satisfied by construction loans assumed totalling $37,358 (note 12), the assumption of other liabilities of $2,308 relating to completing the 19 Duncan development, working capital of $749, the partial settlement of a loan receivable due from the seller of $18,866 (note 9a) and net cash consideration of $1,277 primarily for land transfer taxes. This acquisition increased Allied's ownership in each of 400 West Georgia and 19 Duncan to 100%.

During the year ended December 31, 2023, Allied did not acquire any properties.

Dispositions

During the year ended December 31, 2024, Allied completed the following dispositions of investment properties:

PROPERTY	DISPOSITION DATE	PROPERTY TYPE	GROSS PROCEEDS
85 Saint-Paul W, Montréal	August 26, 2024	Office	$16,250
480 Saint-Laurent, Montréal	August 26, 2024	Office, retail	16,250
4446 Saint-Laurent, Montréal	September 26, 2024	Office, retail	18,750
College & Manning - 547-549 College, Toronto	November 29, 2024	Residential, retail	24,000
The Chambers - 40 Elgin & 46 Elgin, Ottawa	December 18, 2024	Office, retail	86,511
810 Saint Antoine, Montréal (1)	December 19, 2024	Office	41,895
Total gross proceeds			**$203,656**
Net working capital adjustments (1)			7,207
Mortgage transfer (note 12b)			14,850
Lease liability transfer (note 13)			35,511
Selling costs			1,722
Net cash consideration received			**$144,366**

(1) The consideration includes a density bonus of $4,895 to be received, conditional on the building density achieved by the purchaser. Any changes in the actual amount of the density bonus will be recognized in other income or impairment loss in the Consolidated Statements of Loss and Comprehensive Loss.

The gross proceeds were equivalent to the fair value of these investment properties at the time of disposition, therefore, there was no gain or loss recorded on closing.

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 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:

	YEAR ENDED DECEMBER 31, 2024			YEAR ENDED DECEMBER 31, 2023		
	RENTAL PROPERTIES	**PROPERTIES UNDER DEVELOPMENT ("PUD")**	**TOTAL**	RENTAL PROPERTIES	PROPERTIES UNDER DEVELOPMENT ("PUD")	TOTAL
Balance, beginning of year	**$8,368,872**	**$1,018,160**	**$9,387,032**	$9,494,395	$1,529,440	$11,023,835
Additions:						
Acquisitions (1)	**543,331**	**201,524**	**744,855**	—	—	—
Improvement allowances	**30,879**	**42,368**	**73,247**	61,424	9,421	70,845
Leasing commissions	**13,024**	**7,112**	**20,136**	16,253	327	16,580
Capital expenditures	**73,359**	**199,596**	**272,955**	210,902	228,055	438,957
Dispositions	**(203,656)**	**—**	**(203,656)**	(1,477,000)	—	(1,477,000)
Transfers from PUD	**592,006**	**(592,006)**	**—**	688,540	(688,540)	—
Transfers to PUD	**(123,000)**	**123,000**	**—**	(89,320)	89,320	—
Transfers from (to) other assets	**758**	**—**	**758**	(505)	—	(505)
Amortization of straight-line rent and improvement allowances	**(28,569)**	**(996)**	**(29,565)**	(25,016)	3,139	(21,877)
Fair value loss on investment properties and investment properties held for sale (2)	**(405,550)**	**(152,019)**	**(557,569)**	(510,801)	(153,002)	(663,803)
Balance, end of year	**$8,861,454**	**$846,739**	**$9,708,193**	$8,368,872	$1,018,160	$9,387,032
Investment properties	**$8,601,624**	**$846,739**	**$9,448,363**	$8,368,872	$1,018,160	$9,387,032
Investment properties held for sale	**259,830**	**—**	**259,830**	—	—	—
	$8,861,454	**$846,739**	**$9,708,193**	$8,368,872	$1,018,160	$9,387,032

(1) *Includes $51,567 of the residential portion of TELUS Sky, which Allied recognized as an investment in joint venture through an equity accounted investment prior to December 19, 2024. Subsequently, this portion is recognized as an investment property since the TELUS Sky Partnership sold the residential component of TELUS Sky to Allied and Westbank (notes 4 and 8).*

(2) *For the year ended December 31, 2023, this includes a fair value gain on investment properties held for sale for discontinued operations of $108,849 (note 6). Allied completed the sale of these properties on August 16, 2023.*

As at December 31, 2024, Allied had 14 properties classified as investment properties held for sale totalling $259,830. As at December 31, 2023, Allied did not classify any investment properties as held for sale.

For the year ended December 31, 2024, Allied capitalized $58,582 (December 31, 2023 - $61,671) of borrowing costs to qualifying investment properties.

Included in the investment properties and investment properties held for sale amounts noted in the table above are right-of-use assets with a fair value of $47,420 (December 31, 2023 - $138,760) representing the fair value of Allied's interest in two lease liabilities and one lease liability held for sale with corresponding lease liabilities. The leases' maturities range from 19.8 years to 77.5 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 $166,400 (December 31, 2023 - $173,240) and a maturity of 71.6 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 minimum 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 and investment properties held for sale 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 and investment properties held for sale.

	WEIGHTED AVERAGE	
	DECEMBER 31, 2024	DECEMBER 31, 2023
Discount rate	**6.09%**	5.98%
Terminal capitalization rate	**5.27%**	5.18%
Overall capitalization rate	**4.88%**	4.82%

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 and investment properties held for sale	**$406,722**	**$200,523**	**$(195,022)**	**$(384,711)**

CHANGE IN TERMINAL CAPITALIZATION RATE OF	-0.50%	-0.25%	+0.25%	+0.50%
Increase (decrease) in fair value				
Investment properties and investment properties held for sale	**$588,820**	**$278,975**	**$(252,577)**	**$(482,391)**

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:

	YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023
Rental revenue	**$—**	$54,539
Property operating costs	**—**	(20,718)
Operating income	**$—**	**$33,821**
Interest expense	**—**	(4,433)
Fair value gain on investment properties held for sale	**—**	108,849
Transaction costs	**—**	(13,246)
Net income from discontinued operations	**$—**	**$124,991**

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

	YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023
Cash provided by:		
Operating activities	**$—**	$15,598
Financing activities	**—**	—
Investing activities	**—**	1,307,854
	$—	$1,323,452

7. RESIDENTIAL INVENTORY

Residential inventory is as follows:

	DECEMBER 31, 2024	DECEMBER 31, 2023
KING Toronto	**$221,004**	$209,783

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

	DECEMBER 31, 2024	DECEMBER 31, 2023
Balance, beginning of year	**$209,783**	$187,272
Development expenditures	**49,480**	37,887
Impairment	**(38,259)**	(15,376)
Balance, end of year	**$221,004**	$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, totalling 440 units.

For the year ended December 31, 2024, Allied capitalized $9,858 (December 31, 2023 - $9,215) of borrowing costs to qualifying residential inventory.

During the year ended December 31, 2024, Allied recorded an impairment of $38,259 (December 31, 2023 - $15,376) on KING Toronto. Residential inventory carrying value is calculated as the estimated gross proceeds less estimated costs to complete. The impairment during the years ended December 31, 2024, and 2023, reflect higher estimated costs to complete. In addition, the impairment during the year ended December 31, 2024, also reflects lower estimated gross proceeds.

8. INVESTMENT IN JOINT VENTURE AND LOAN RECEIVABLE

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

	DECEMBER 31, 2024	DECEMBER 31, 2023
Investment in joint venture	$—	$8,866
Loan receivable from joint venture	—	93,291
	$—	$102,157
Current	$—	$93,291
Non-current	—	8,866
	$—	$102,157

On December 19, 2024, the TELUS Sky Partnership (in which Allied holds a one-third interest) sold the commercial component of TELUS Sky to TELUS and sold a 50% undivided interest in the residential component of TELUS Sky to each of Allied and Westbank (note 4). This resulted in a decrease in the TELUS Sky Partnership's ownership in the commercial and residential components of TELUS Sky from 100% to zero. The TELUS Sky Partnership sold the commercial component of TELUS Sky at a selling price of $157,000 ($52,333 at Allied's share) and the residential component of TELUS Sky at a selling price of $154,700 ($51,567 at Allied's share), which represented the fair value of the investment properties at the time of disposition. Accordingly, there was no gain or loss recorded on closing. In addition, the TELUS Sky Partnership incurred net working capital adjustments of $3,678 ($1,226 at Allied's share), resulting in total net cash consideration of $308,022 ($102,674 at Allied's share).

On October 31, 2019, Allied advanced a construction loan to the TELUS Sky Partnership, with the loan having a maximum limit of $114,000. The loan bears interest at bank prime plus 75 basis points or CORRA plus 175 basis points. On July 14, 2023, the TELUS Sky Partnership 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 was $93,291. Allied was providing a joint and several guarantee up to the amount of $94,000 to support the TELUS Sky Partnership's facility. On June 26, 2024, the TELUS Sky Partnership extended the maturity date from July 12, 2024, to October 1, 2024, and amended the benchmark rate from CDOR to CORRA (note 12). On September 17, 2024, the TELUS Sky Partnership extended the maturity date from October 1, 2024, to December 2, 2024. On November 28, 2024, the TELUS Sky Partnership extended the maturity date from December 2, 2024 to January 13, 2025. On December 19, 2024, $78,310 of the construction loan was settled as consideration for the acquisition of the 50% undivided interest in the residential component of TELUS Sky (note 4), and the remaining $14,981 was repaid to Allied in cash.

Prior to the reorganization of ownership in TELUS Sky on December 19, 2024, Allied accounted for its interests in TELUS Sky, inclusive of both the residential and commercial components, through an equity accounted investment, of which Allied had a one-third interest. Following the reorganization, Allied accounts for its 50% interest in the residential component of TELUS Sky through a co-ownership structure, which is accounted for as a joint operation (note 22), whereby Allied accounts for its share of the assets, liabilities, revenues, and expenses of TELUS Sky. The financial information below represents the TELUS Sky Partnership at 100% and at Allied's one-third interest.

	DECEMBER 31, 2024	DECEMBER 31, 2023
Current assets (including cash and cash equivalents)	**$—**	$5,715
Non-current assets	**—**	310,746
Current liabilities	**—**	(289,863)
Net assets of the TELUS Sky Partnership at 100%	**$—**	**$26,598**
Net assets of the TELUS Sky Partnership at Allied's share	**$—**	**$8,866**

	YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023
Revenue	**$23,148**	$25,356
Expenses	**(15,717)**	(13,260)
Interest income	**120**	69
Amortization of other assets	**(612)**	—
Transaction costs	**(240)**	—
Fair value loss	**(1,173)**	(59,031)
Net income (loss) and comprehensive income (loss) of the TELUS Sky Partnership at 100%	**$5,526**	**$(46,866)**
Net income (loss) and comprehensive income (loss) of the TELUS Sky Partnership at Allied's share	**$1,842**	**$(15,622)**

	DECEMBER 31, 2024	DECEMBER 31, 2023
Investment in joint venture, beginning of year	**$8,866**	$7,089
Net income (loss)	**1,842**	(15,622)
Contributions	**3,690**	24,482
Distributions [1]	**(14,398)**	(7,083)
Investment in joint venture, end of year	**$—**	**$8,866**

(1) For the year ended December 31, 2024, the distributions include a net distribution of $9,383, comprised of the total net cash consideration of $308,022 ($102,674 at Allied's share) from the sale of the commercial and residential components of TELUS Sky by the TELUS Sky Partnership, less the TELUS Sky Partnership's repayment of its construction loan of $279,873 ($93,291 at Allied's share).

9. LOANS AND NOTES RECEIVABLE

Loans and notes receivable are as follows:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Loans receivable (a)	$412,317	$509,697
Notes and other receivables (b)	14,260	56
	$426,577	$509,753
Current	$235,532	$188,382
Non-current	191,045	321,371
	$426,577	$509,753

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

	MATURITY DATE	DECEMBER 31, 2024	DECEMBER 31, 2023
19 Duncan	N/A	$—	$21,173
400 West Georgia	N/A	—	188,355
KING Toronto (1)	December 31, 2026	181,123	112,161
Breithaupt Phase III (2)	N/A	9,913	9,913
150 West Georgia	December 9, 2025	221,281	178,095
Total loans receivable		$412,317	$509,697

(1) The facility matures at the earlier of December 31, 2026, or the closing of the condominium units.
(2) The loan is repayable in installments upon rent commencement subsequent to repayment of the construction loan, which matures on March 31, 2025.

Allied had a joint arrangement with Westbank whereby Allied advanced a loan (the “Original Duncan Facility”) of $21,173 to Westbank for its purchase of a 50% undivided interest in 19 Duncan. Interest accrued to the Original Duncan Facility was payable monthly at a rate of 7.75% per annum up to September 6, 2024. Thereafter, interest accrued and was payable monthly at the greater of (i) prime plus 3.00% per annum and (ii) 7.75% per annum. In the fourth quarter of 2024, the loan was further amended to add an additional credit facility in an aggregate principal amount not to exceed $10,000 (the “Additional Duncan Facility”). Interest accrued to the Additional Duncan Facility and was payable monthly at a rate of prime plus 10.00% per annum. The facility was secured by a charge on this property and two other properties (subordinated to the construction lenders) and assignment of rents and leases. During the fourth quarter of 2024, $5,265 was drawn under the Additional Duncan Facility, bringing the total outstanding loan balance to $26,438. Of this balance, $18,866 was used to settle the acquisition of an incremental 5% interest in 19 Duncan and an incremental 10% interest in 400 West Georgia on December 20, 2024 (note 4). The remaining balance of $7,572 was converted to a note receivable due from Westbank on June 30, 2025 (note 9b).

Allied had 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 was secured by Westbank's covenant and a charge on the property (subordinated to the construction lender). Interest accrued to the credit facility monthly at the greater of (i) 6.75% per annum; and (ii) prime plus 3.00% per annum. The loan receivable for 400 West Georgia was fully settled on April 1, 2024, when Allied acquired an ownership interest in 400 West Georgia and an incremental 45% ownership interest in 19 Duncan (note 4).

Allied has a joint arrangement with Westbank to develop KING Toronto. As part of the arrangement, Allied advanced a loan (the "Original KING Toronto Facility"), in the principal amount of $73,414, plus interest, to Westbank for its purchase of a 50% undivided interest in the property. Interest accrued to the Original KING Toronto Facility at a rate of 7.00% per annum for the period up to and including November 30, 2023. Thereafter, interest accrued to the Original KING Toronto Facility at the greater of (i) 7.00% per annum; and (ii) prime plus 3.00% per annum. During the fourth quarter of 2023, and on September 6, 2024, the loan was further amended to add an additional credit facility in an aggregate principal amount not to exceed $40,000, plus interest and $35,000, plus interest, respectively (the "Additional KING Toronto Facility"). Interest accrues to the Additional KING Toronto Facility at a rate of prime plus 8.00% per annum and is payable monthly starting January 1, 2025.

Allied has a joint arrangement with Perimeter to develop Breithaupt Phase III. As part of the arrangement, Allied advanced a loan to provide for 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 Westbank's acquisition of the land 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. 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 December 31, 2024 (December 31, 2023 - $nil).

(b) As at December 31, 2024, the balance of notes and other notes receivables is mainly a note receivable due from Westbank that is non-interest bearing up to March 31, 2025, and thereafter, interest accrues and is payable on any prepayment or on the maturity date of June 30, 2025, at a rate of prime plus 10.00% per annum. As at 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:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Equipment and other assets [(1)]	$3,885	$4,065
Property, plant and equipment [(2)]	19,441	20,597
Interest rate swap derivative assets	13,316	23,866
	$36,642	$48,528
Current	$—	$—
Non-current	$36,642	$48,528
	$36,642	$48,528

(1) During the year ended December 31, 2024, Allied recorded amortization of equipment and other assets of $1,138 (December 31, 2023 - $1,094).

(2) Property, plant and equipment relates to owner-occupied property. During the year ended December 31, 2024, Allied recorded amortization of owner-occupied property of $400 (December 31, 2023 - $405).

11. ACCOUNTS RECEIVABLE, PREPAID EXPENSES AND DEPOSITS

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

	DECEMBER 31, 2024	DECEMBER 31, 2023
User trade receivables - net of allowance (a)	$16,111	$17,067
Other user receivables (b)	9,472	8,197
Miscellaneous receivables (c)	19,060	24,218
Prepaid expenses and deposits (d)	93,002	91,481
	$137,645	$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:

	YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023
Allowance for expected credit loss, beginning of year	**$11,722**	$11,336
Additional provision recorded during the year	**3,254**	3,063
Reversal of previous provisions	**(1,630)**	(1,632)
Receivables written off during the year	**(1,777)**	(1,045)
Allowance for expected credit loss, end of year	**$11,569**	$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. As at December 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, naming rights, insurance, software and a deposit on disposition.

12. DEBT

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

	DECEMBER 31, 2024	DECEMBER 31, 2023
Mortgages payable (a)	**$437,536**	$111,875
Construction loans payable (b)	**473,866**	307,013
Unsecured revolving operating facility (c)	**—**	—
Senior unsecured debentures (d)	**2,842,388**	2,591,569
Unsecured term loans (e)	**649,585**	649,154
	$4,403,375	$3,659,611
Current	**$985,129**	$149,245
Non-current	**3,418,246**	3,510,366
	$4,403,375	$3,659,611

The publication of CDOR ceased effective June 28, 2024, and has been replaced by the Canadian Overnight Repo Rate Average ("CORRA"). As a result, in 2024, Allied amended the benchmark rates in its debt and swap agreements from CDOR to CORRA, as applicable, including a credit spread adjustment for the basis difference between CDOR and CORRA. The economic impact to Allied is immaterial.

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

On October 3, 2024, Allied entered into a swap agreement with a financial institution to fix the rate on a notional amount of variable-rate debt of $175,000 to exchange the floating CORRA-based interest payments for fixed interest payments at a total fixed rate of 4.927%. The swap is effective October 31, 2024, and matures on October 31, 2026. Allied will first apply this swap to the unsecured revolving operating facility, and if the swap exceeds the balance of the unsecured revolving operating facility at any point in time, Allied may apply the swap to other variable-rate debt outstanding at that time.

(a) *Mortgages payable*

Mortgages payable with a fixed rate have a weighted average contractual interest rate of 4.81% as at December 31, 2024 (December 31, 2023 - 3.38%). There were no variable rate mortgages payable as at December 31, 2024 and December 31, 2023. The mortgages are secured by a first registered charge over specific investment properties and first general assignments of leases, insurance and registered chattel mortgages.

As at December 31, 2024, and December 31, 2023, Allied's obligations under mortgages are as follows:

	PRINCIPAL REPAYMENTS	BALANCE DUE AT MATURITY	DECEMBER 31, 2024	DECEMBER 31, 2023
2025	$11,164	$—	$11,164	
2026	6,673	20,443	27,116	
2027	6,040	50,000	56,040	
2028	6,132	14,457	20,589	
2029	6,139	91,498	97,637	
2030	6,358	222,591	228,949	
Mortgages, principal	$42,506	$398,989	$441,495	$112,677
Net premium on assumed mortgages			—	233
Net financing costs			(3,959)	(1,035)
			$437,536	$111,875

(b) *Construction loans payable*

As at December 31, 2024, and December 31, 2023, Allied's obligations relating to construction loans are as follows:

	OWNERSHIP	DATE OF MATURITY	DECEMBER 31, 2024	DECEMBER 31, 2023
19 Duncan (1)	100%	August 11, 2025	$257,667	$110,046
Breithaupt Phase III	50%	March 31, 2025	57,572	58,005
KING Toronto	50%	July 31, 2026	99,900	99,900
108 East 5th Avenue	50%	December 6, 2025	58,727	39,062
400 West Georgia (2)	100%	N/A	—	—
			$473,866	$307,013

(1) *Allied acquired an incremental 45% interest and 5% interest in 19 Duncan on April 1, 2024 and December 20, 2024, respectively, increasing Allied's total ownership in 19 Duncan to 100%.*

(2) *Allied acquired a 90% interest and an incremental 10% interest in 400 West Georgia on April 1, 2024 and December 20, 2024, respectively, increasing Allied's total ownership in 400 West Georgia to 100%. Allied fully repaid the 400 West Georgia construction loan on December 20, 2024.*

Allied and Westbank had a $295,000 construction lending facility for the 19 Duncan joint arrangement from a syndicate of Canadian banks, in which Allied's 50% share was $147,500 until March 31, 2024. On April 1 and December 20, 2024, Allied's share increased to $280,250 and $295,000, as a result of its incremental 45% and 5% ownership, respectively (note 4). Accordingly, Allied assumed an additional $103,487 drawn on the construction lending facility on April 1, 2024 and $12,442 on December 20, 2024. The loan bears interest at bank prime plus 35 basis points or CORRA plus 135 basis points with a standby fee of 25 basis points and a letter of credit fee of 100 basis points. The 19 Duncan joint arrangement had 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 had provided a joint and several guarantee of the entire facility and earned a related guarantee fee on up to $147,500 and $14,750 of the facility until March 31, 2024, and December 19, 2024, respectively.

Allied and Perimeter have a $138,000 construction loan for the Breithaupt Phase III joint arrangement from a financial institution, in which Allied's 50% share is $69,000. On December 4, 2024, a $3,600 repayment ($1,800 at Allied's share) was made on the facility. As a result the facility limit was decreased from $138,000 to $134,400, in which Allied's 50% share is $67,200. The loan bears interest at bank prime plus 25 basis points or CORRA 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 $67,200 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, 2024, $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. On September 27, 2024, the maturity date for the construction lending facility was extended from December 17, 2024, to July 31, 2026. The loan bears interest at bank prime plus 45 basis points or CORRA 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.

Allied and Westbank have a $150,000 construction lending facility for the 108 East 5th Avenue joint arrangement 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 CORRA plus 135 basis points with a standby fee of 27 basis points and a letter of credit fee 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 exceeded one of the sustainability performance targets for 2023, resulting in a 0.025% reduction in the interest rate and a 0.005% reduction in the standby fee in each year. The second sustainability performance target, which is a green building certification, is to be assessed upon completion of the building. 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%.

On April 1, 2024, Allied and Westbank had a $250,000 construction lending facility for the 400 West Georgia joint arrangement from a syndicate of Canadian banks, of which Allied's share was $225,000. Allied assumed $224,248 of the construction lending facility and immediately following the acquisition (note 4), Allied repaid $44,164 of its share of the construction lending facility. Concurrently, the construction lending facility limit decreased from $250,000 to $205,000. On December 20, 2024, the incremental 10% acquisition (note 4) resulted in Allied assuming the remainder of the construction lending facility of $24,916, and immediately following the transactions, Allied fully repaid the construction lending facility. The loan bore interest at bank prime plus 40 basis points or CORRA plus 160 basis points. Allied had provided a joint and several guarantee of the entire facility.

(c) *Unsecured revolving operating facility*

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

DECEMBER 31, 2024

MATURITY DATE	CONTRACTUAL INTEREST RATES ON DRAWINGS	STANDBY FEE	FACILITY LIMIT (1)	DRAWINGS	LETTERS OF CREDIT	AMOUNT AVAILABLE
January 26, 2027	Prime + 0.70% or CORRA + 1.70% (2)	0.34%	$800,000	$—	$(10,506)	$789,494

(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 and the standby fee would change. On June 11, 2024, the spread, standby fee, and letter of credit fee increased for the Unsecured Facility.

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, the standby fee, and the letter of credit fee were subject to certain conditions being met. In the event that these conditions were not met, the spread above Prime or Bankers' acceptance, the standby fee, and the letter of credit fee 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.

(d) *Senior unsecured debentures*

As at December 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	DECEMBER 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
Series J	5.534%	September 26, 2028	March 26 and September 26	**250,000**	—
Unsecured debentures, principal				**$2,850,000**	$2,600,000
Net financing costs				**(7,612)**	(8,431)
				$2,842,388	$2,591,569

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

On September 26, 2024, Allied issued $250,000 of 5.534% Series J unsecured debentures (the "Series J Debentures") on a private placement basis due September 26, 2028, with semi-annual interest payments due on March 26 and September 26 each year commencing on March 26, 2025. Debt financing costs of $1,258 were incurred and recorded against the principal owing.

Proceeds from the Series J Debentures were used to repay short-term, variable rate debt.

(e) *Unsecured term loans*

As at December 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	DECEMBER 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				**(415)**	(846)
				$649,585	$649,154

The two unsecured term loans are collectively referred to as "Unsecured Term Loans".

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%.

Allied also has a swap agreement on its $400,000 unsecured term loan to fix the rate at 4.865% until October 22, 2025.

(f) *Interest expense*

Interest expense consists of the following:

	YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023
Interest on debt:		
Mortgages payable	**$4,864**	$3,528
Construction loans payable	**32,853**	16,675
Promissory note payable (1)	**—**	3,967
Unsecured Facility	**13,127**	23,841
Unsecured Debentures	**78,300**	74,710
Unsecured Term Loans	**28,175**	28,007
Interest on lease liabilities (2)	**3,016**	2,322
Amortization, net (premium) discount on debt	**(231)**	3,976
Amortization, net financing costs	**3,046**	2,865
Distributions on Exchangeable LP Units (3)	**21,256**	18,068
	$184,406	$177,959
Interest capitalized to qualifying investment properties and residential inventory	**(68,440)**	(70,886)
Interest expense excluding financing prepayment costs	**$115,966**	$107,073
Financing prepayment costs (4)	**501**	—
Interest expense	**$116,467**	$107,073

(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 year ended December 31, 2023, this excludes interest expense on a lease liability held for sale of $4,433, which was sold on August 16, 2023. This 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.*

(4) *For the year ended December 31, 2024, financing prepayment costs include $501 for an accelerated amortization of deferred financing costs in connection with the disposition of a property (December 31, 2023 - $nil).*

Borrowing costs have been capitalized for the year ended December 31, 2024, to qualifying investment properties and residential inventory at a weighted average effective rate of 3.39% per annum (December 31, 2023 - 3.47%), 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 December 31, 2024:

	2025	2026	2027	2028	2029	THEREAFTER	TOTAL
Mortgages payable, principal repayments	$11,164	$6,673	$6,040	$6,132	$6,139	$6,358	$42,506
Mortgages payable, balance due at maturity	—	20,443	50,000	14,457	91,498	222,591	398,989
Construction loans payable	373,966	99,900	—	—	—	—	473,866
Unsecured Facility	—	—	—	—	—	—	—
Unsecured Debentures	200,000	600,000	300,000	550,000	300,000	900,000	2,850,000
Unsecured Term Loans	400,000	250,000	—	—	—	—	650,000
Total	**$985,130**	**$977,016**	**$356,040**	**$570,589**	**$397,637**	**$1,128,949**	**$4,415,361**

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:

	2025	2026 - 2029	THEREAFTER	DECEMBER 31, 2024	DECEMBER 31, 2023
Future minimum lease payments	**$1,035**	**$4,145**	**$62,674**	**$67,854**	$153,800
Interest (paid) accrued on lease obligations	**(41)**	**(196)**	**—**	**(237)**	(1,510)
Less: amounts representing interest payments	**(994)**	**(3,949)**	**(47,269)**	**(52,212)**	(101,651)
Present value of lease payments	**$—**	**$—**	**$15,405**	**$15,405**	$50,639
Current [1]				**$7,021**	$—
Non-current				**$8,384**	$50,639
				$15,405	$50,639

(1) *This is a lease liability held for sale.*

During the year ended December 31, 2024, a lease liability of $35,511 was transferred upon the disposition of a property (note 4).

Some of Allied's lease agreements contain contingent rent clauses. Contingent rental payments are recognized in the 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 year ended December 31, 2024, minimum lease payments of $3,333 (December 31, 2023 - $7,616) were paid by Allied.

14. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities consists of the following:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Trade payables and other liabilities	**$225,907**	$283,346
Prepaid user rents	**90,842**	81,560
Accrued interest payable on Unsecured Debentures	**26,885**	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]	**49,478**	47,513
Interest rate swap derivative liabilities	**3,124**	—
Total return swap derivative liabilities (note 18(d))	**305**	—
Unit-based compensation liabilities (note 18(c))	**2,523**	1,938
	$420,028	$525,647
Current	**$367,731**	$476,863
Non-current [2]	**52,297**	48,784
	$420,028	$525,647

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

(2) Non-current liabilities as at December 31, 2024, are composed of residential deposits totalling $49,478, unit-based compensation liabilities totalling $1,742 and interest rate swap derivative liabilities of $1,077 (December 31, 2023 - $47,513, $1,271 and $nil, 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:

		DECEMBER 31, 2024		DECEMBER 31, 2023	
	CLASSIFICATION/ MEASUREMENT	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
Financial Assets:					
Loan receivable from joint venture (note 8)	Amortized cost	**$—**	**$—**	$93,291	$93,291
Loans and notes receivable (note 9)	Amortized cost	**426,577**	**424,478**	509,753	502,004
Interest rate swap derivative assets (note 10)	FVTPL	**13,316**	**13,316**	23,866	23,866
Accounts receivable, prepaid expenses and deposits (note 11)	Amortized cost	**137,645**	**137,645**	140,963	140,963
Cash and cash equivalents (note 21)	Amortized cost	**73,918**	**73,918**	211,069	211,069
Financial Liabilities:					
Debt (note 12)					
Mortgages	Amortized cost	**$437,536**	**$444,948**	$111,875	$107,755
Construction loans payable	Amortized cost	**473,866**	**473,866**	307,013	307,013
Unsecured Facility	Amortized cost	**—**	**—**	—	—
Unsecured Debentures	Amortized cost	**2,842,388**	**2,680,733**	2,591,569	2,266,700
Unsecured Term Loans	Amortized cost	**649,585**	**648,735**	649,154	641,686
Accounts payable and other liabilities (note 14)	Amortized cost	**414,076**	**414,076**	523,709	523,709
Interest rate swap derivative liabilities (note 14)	FVTPL	**3,124**	**3,124**	—	—
Total return swap derivative liabilities (note 14)	FVTPL	**305**	**305**	—	—
Unit-based compensation liabilities (notes 14 and 18(c))	FVTPL	**2,523**	**2,523**	1,938	1,938
Exchangeable LP Units (note 17)	FVTPL	**202,527**	**202,527**	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 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:

	DECEMBER 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	$—
Loans and notes receivable (note 9)	—	424,478	—	—	502,004	—
Interest rate swap derivative assets (note 10)	—	13,316	—	—	23,866	—
Accounts receivable, prepaid expenses and deposits (note 11)	—	137,645	—	—	140,963	—
Cash and cash equivalents (note 21)	73,918	—	—	211,069	—	—
Financial Liabilities:						
Debt (note 12)						
Mortgages	$—	$444,948	$—	$—	$107,755	$—
Construction loans payable	—	473,866	—	—	307,013	—
Unsecured Facility	—	—	—	—	—	—
Unsecured Debentures	—	2,680,733	—	—	2,266,700	—
Unsecured Term Loans	—	648,735	—	—	641,686	—
Accounts payable and other liabilities (note 14)	—	414,076	—	—	523,709	—
Total return swap derivative liabilities (note 14)	—	305	—	—	—	—
Interest rate swap derivative liabilities (note 14)		3,124			—	
Unit-based compensation liabilities (notes 14 and 18(c))	—	2,523	—	—	1,938	—
Exchangeable LP Units (note 17)	—	202,527	—	—	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).

Total return swap derivative contracts

The fair value of the total return swap derivative contracts is determined using Allied's unit price and 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 years ended December 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	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))	—	(1,712)
Balance at December 31, 2024	**127,955,983**	**$4,545,196**

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 January 15, 2025, Allied declared a distribution for the month of January 2025 of $0.15 per Unit, representing $1.80 per Unit on an annualized basis to Unitholders of record as at January 31, 2025.

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 year ended December 31, 2024, Allied purchased 99,443 Units for $1,712 at a weighted average price of $17.22 of which 98,183 Units were purchased for delivery to participants under Allied’s Restricted Unit Plan and 1,260 Units were purchased for certain employee rewards outside of 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. 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 after 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 years ended December 31, 2024, and 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 loss on Exchangeable LP Units	—	(35,782)
Balance at December 31, 2024	**11,809,145**	**$202,527**

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 December 31, 2024, was $21,256, for which Choice Properties elected to receive a loan in lieu of all of the distributions. A note receivable of $26,925 was outstanding from Choice Properties as of December 31, 2024, of which $21,256 was for cash advances made during the year ended December 31, 2024 in respect of monthly distributions, and $5,669 was for the special cash distribution declared in December 2023 and advanced 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, 2025, $26,925 of the note receivable due from Choice Properties as at December 31, 2024, was settled on a net basis against the distributions payable to Choice Properties.

On January 15, 2025, the Partnership declared a distribution for the month of January 2025 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 January 31, 2025, 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	366,367
		2,136,901		**(393,342)**	**(30,588)**	**1,712,971**	**1,640,098**

	YEAR ENDED			
	DECEMBER 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 year	**$31.56-$54.59**	**4.14**	$31.56-$54.59	5.14

	YEAR ENDED			
	DECEMBER 31, 2024		DECEMBER 31, 2023	
	NUMBER OF UNITS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF UNITS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of year	**1,712,971**	**$42.01**	1,717,043	$41.98
Forfeited	**—**	**$—**	(4,072)	$31.56
Balance, end of year	**1,712,971**	**$42.01**	1,712,971	$42.01
Units exercisable at the end of the year	**1,640,098**	**$42.25**	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 year ended December 31, 2024, Allied recorded a unit-based compensation expense of $104 (December 31, 2023 - $389) in general and administrative expense in the 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:

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

For the year ended December 31, 2024, Allied recorded a unit-based compensation expense of $2,024, (December 31, 2023 - $2,421) in general and administrative expense in the 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:

	YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023
Plan Units, beginning of year	**371,277**	179,193
Granted	**252,773**	170,461
Settled	**(113,861)**	(7,274)
Forfeited	**(35,587)**	—
Distribution equivalents	**63,112**	28,897
Plan Units, end of year	**537,714**	371,277

For the year ended December 31, 2024, Allied recorded a unit-based compensation expense of $2,850 (December 31, 2023 - $1,327), including the mark-to-market adjustment, in general and administrative expense in the Consolidated Statements of Loss and Comprehensive Loss. During the year ended December 31, 2024, 113,861 Plan Units (December 31, 2023 - 7,274 Plan Units) vested and settled in cash resulting in a decrease of $2,264 (December 31, 2023 - $127) to the unit-based compensation liabilities.

(d) *Total return swap*

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 the equivalent of monthly distributions on the Units, which are both recognized in general and administrative expenses in the Consolidated Statements of Loss and Comprehensive Loss. 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. For the year ended December 31, 2024, Allied recorded a unit-based compensation recovery of $44 (December 31, 2023 - $nil), including the mark-to-market expense of $305 (December 31, 2023 - $nil).

19. RENTAL REVENUE

Rental revenue includes the following:

	YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023
Rental revenue [1]	**$283,341**	$272,034
Tax and insurance recoveries	**112,739**	109,172
Miscellaneous revenue [2]	**33,069**	23,601
Operating cost recoveries	**162,891**	159,173
Total rental revenue	**$592,040**	$563,980

(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:

	2025	2026	2027	2028	2029	THEREAFTER	TOTAL
Future minimum rental income	**$308,181**	**$283,718**	**$252,246**	**$224,571**	**$199,469**	**$731,248**	**$1,999,433**

20. GENERAL AND ADMINISTRATIVE EXPENSES

	YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023
Salaries and benefits [1]	**$21,372**	$21,197
Professional and trustee fees	**6,783**	6,749
Office and general expenses	**6,583**	6,897
	$34,738	$34,843
Capitalized to qualifying investment properties	**(10,405)**	(11,266)
Total general and administrative expenses	**$24,333**	$23,577

(1) *For the year ended December 31, 2024, salaries and benefits expenses includes a fair value recovery of $107 (December 31, 2023 - $494), on unit-based compensation plans.*

21. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents include the following components:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Cash	**$73,778**	$51,366
Short-term deposits	**140**	159,703
Total cash and cash equivalents	**$73,918**	$211,069

The following summarizes supplemental cash flow information in operating activities:

	YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023
Supplemental		
Interest paid on debt (including capitalized interest and financing prepayment costs (note 12))	**$179,212**	$168,265

The following summarizes supplemental cash flow information in investing activities:

	YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023
Supplemental		
Construction loans assumed (notes 4, 12)	**$365,093**	$—

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

	YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023
Net change in accounts receivable, prepaid expenses and deposits	**$3,318**	$(75,419)
Net change in loans and notes receivable [(1)]	**176,467**	(77,641)
Net change in accounts payable and other liabilities	**(105,620)**	111,386
Other working capital changes	**(133,377)**	110,573
Change in non-cash operating items	**$(59,212)**	$68,899

(1) On April 1, 2024 and December 20, 2024, $197,339 and $18,866, respectively, of the loans receivable was settled to partially satisfy the 400 West Georgia and 19 Duncan acquisitions (notes 4, 9).

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 DECEMBER 31, 2024	OWNERSHIP DECEMBER 31, 2023
642 King W	Toronto, ON	Rental Property	50%	50%
19 Duncan [1]	Toronto, ON	Rental Property and Property Under Development	N/A	50%
Breithaupt Block	Kitchener, ON	Rental Property	50%	50%
College & Manning [2]	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%
TELUS Sky (residential component) [3]	Calgary, AB	Rental Property	50%	N/A

(1) Allied acquired an incremental 45% interest and 5% interest in 19 Duncan on April 1, 2024 and December 20, 2024, respectively, increasing Allied's total ownership in 19 Duncan to 100% (note 4).

(2) On November 29, 2024, the College & Manning joint arrangement sold a portion of its properties. The College & Manning joint arrangement continues to co-own 559 College.

(3) Prior to December 19, 2024, Allied accounted for its interest in TELUS Sky through an equity accounted investment (note 8).

	DECEMBER 31, 2024	DECEMBER 31, 2023
Total assets	$2,011,911	$2,071,022
Total liabilities	$606,422	$709,396

	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
Revenue	$115,119	$70,333
Expenses	(57,948)	(28,354)
Income before fair value adjustment on investment properties and impairment of residential inventory	$57,171	$41,979
Impairment of residential inventory	(38,259)	(15,376)
Fair value loss on investment properties	(104,866)	(197,774)
Net loss	$(85,954)	$(171,171)

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 income (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) on 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 years ended December 31, 2024, and 2023.

On December 18, 2024, Allied disposed of its Ottawa properties.

SEGMENTED CONSOLIDATED STATEMENTS OF LOSS FROM CONTINUING OPERATIONS

YEAR ENDED DECEMBER 31, 2024	MONTRÉAL & OTTAWA	TORONTO & KITCHENER	CALGARY & EDMONTON (1)	VANCOUVER	JOINT VENTURE (THE TELUS SKY PARTNERSHIP) (2)	TOTAL
Rental revenue	$214,625	$285,189	$38,550	$61,392	$(7,716)	$592,040
Property operating costs	(111,271)	(113,670)	(22,515)	(21,349)	5,239	(263,566)
Operating income	**$103,354**	**$171,519**	**$16,035**	**$40,043**	**$(2,477)**	**$328,474**
Interest income						45,069
Interest expense						(116,467)
General and administrative expenses						(24,333)
Condominium marketing expenses						(134)
Amortization of other assets						(1,538)
Transaction costs						(1,722)
Net income from joint venture						1,842
Fair value loss on investment properties and investment properties held for sale						(557,569)
Fair value gain on Exchangeable LP Units						35,782
Fair value loss on derivative instruments						(13,675)
Impairment of residential inventory						(38,259)
Net loss from continuing operations						**$(342,530)**

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

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

YEAR ENDED DECEMBER 31, 2023	MONTRÉAL & OTTAWA	TORONTO & KITCHENER	CALGARY & EDMONTON (1)	VANCOUVER	JOINT VENTURE (THE TELUS SKY PARTNERSHIP) (2)	TOTAL
Rental revenue	$220,826	$258,911	$41,452	$51,243	$(8,452)	$563,980
Property operating costs	(112,565)	(97,970)	(22,423)	(18,411)	4,420	(246,949)
Operating income	**$108,261**	**$160,941**	**$19,029**	**$32,832**	**$(4,032)**	**$317,031**
Interest income						53,605
Interest expense						(107,073)
General and administrative expenses						(23,577)
Condominium marketing expenses						(538)
Amortization of other assets						(1,499)
Transaction costs						(167)
Net loss from joint venture						(15,622)
Fair value loss on investment properties and investment properties held for sale						(772,652)
Fair value gain on Exchangeable LP Units						28,696
Fair value loss on derivative instruments						(8,535)
Impairment of residential inventory						(15,376)
Net loss from continuing operations						**$(545,707)**

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

(2) This is an adjustment to remove the impact of the TELUS Sky Partnership 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 Partnership joint venture, key management personnel and their close family members.

Allied engaged a private company controlled by a former trustee to provide consulting services. For the year ended December 31, 2024, Allied incurred $1,152 (December 31, 2023 - $712) of consulting fees.

On December 19, 2024, Allied acquired a 50% undivided interest in the residential component of TELUS Sky from the TELUS Sky Partnership joint venture. This acquisition increased Allied's ownership by one-sixth in the residential component of TELUS Sky from one-third to 50% (note 4).

On December 19, 2024, the loan to the TELUS Sky Partnership joint venture of $93,291 was fully repaid (note 8).

The transactions are in the normal course of operations and were measured at the amount set out in agreements 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:

	YEAR ENDED	
	DECEMBER 31, 2024	DECEMBER 31, 2023
Salary, bonus and other short-term employee benefits	**$4,836**	$4,154
Unit-based compensation	**3,113**	3,062
Total	**$7,949**	$7,216

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 December 31, 2024, the debt to gross book value ratio was 41.7% (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 December 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 variable-rate borrowings. There is also 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 December 31, 2024, Allied has construction loans payable, of which $253,041 (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, term loans and unsecured debentures 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.

CHANGE IN INTEREST RATE OF		-1.0%	+1.0%
AS AT DECEMBER 31, 2024	CARRYING AMOUNT	INCOME IMPACT	INCOME IMPACT
Unsecured Facility	$—	$—	$—
Construction loans payable (1)	$473,866	$4,739	$(4,739)
Mortgages payable (2)	$11,164	$112	$(112)
Unsecured Term Loans	$400,000	$4,000	$(4,000)
Unsecured Debentures	$200,000	$2,000	$(2,000)

(1) *Includes variable rate construction loans of $153,141 due within one year.*
(2) *Includes variable rate mortgages payable of $nil due within one year.*

(c) *Unit price risk*

Unit price risk arises from the unit-based compensation liabilities, Exchangeable LP Units, and total return swap derivative liabilities or assets which are recorded at fair value at each quarter-end date. Allied's unit-based compensation liabilities and Exchangeable LP Units negatively impact net income and comprehensive income when the Unit price rises and positively impact net income and comprehensive income when the Unit price declines. Allied's total return swap derivative liabilities or assets positively impact net income and comprehensive income when the Unit price rises and negatively impact net income and comprehensive income when the Unit price declines.

The following table illustrates the sensitivity of net income and comprehensive income 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.

CHANGE IN UNIT PRICE OF		-$1.00	+$1.00
AS AT DECEMBER 31, 2024	CARRYING AMOUNT	INCOME IMPACT	INCOME IMPACT
Unit-based compensation liabilities	$2,523	$538	$(538)
Exchangeable LP Units	$202,527	$11,809	$(11,809)
Total return swap derivative liabilities	$305	$(750)	$750

(d) *Credit risk*

As Allied has provided loans, advances and notes receivable 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, advances and notes receivable will be subordinate to prior ranking loans, mortgages or charges. As at December 31, 2024, Allied had $412,317 outstanding in loans receivable (December 31, 2023 - $509,697) and $14,260 outstanding in a notes receivable (December 31, 2023 - $56). 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 December 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 December 31, 2024, are $11,569 (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:

	DECEMBER 31, 2024	DECEMBER 31, 2023
Less than 30 days	**$3,559**	$1,702
30 to 60 days	**1,477**	1,318
More than 60 days	**11,075**	14,047
Total	**$16,111**	$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 fixed mortgages payable are between 3.59% and 5.25% for December 31, 2024 (December 31, 2023 - 2.77% and 4.29%). There were no variable rate mortgages payable as at December 31, 2024 and December 31, 2023.

Allied entered into interest rate derivative contracts to limit its exposure to fluctuations in interest rates on $870,825 of its variable rate unsecured term loans, construction loans and Unsecured Facility (December 31, 2023 - $689,062). Gains or losses arising from the change in fair values of the interest rate derivative contracts are recognized in the Consolidated Statements of Loss and Comprehensive Loss. For the year ended December 31, 2024, Allied recognized as part of the change in fair value adjustment on derivative instruments a fair value loss of $13,675 (December 31, 2023 - fair value loss of $8,535).

Allied entered into a total return swap agreement to limit its exposure to fluctuations in the Unit price on 750,000 Units of its unit-based compensation plans. Gains or losses arising from the change in fair values of the total return swap are recognized in the Consolidated Statements of Loss and Comprehensive Loss. For the year ended December 31, 2024, Allied recognized as part of the general and administrative expenses a fair value loss of $305 (December 31, 2023 - $nil).

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:

	2025	2026	2027	2028	2029	THEREAFTER	TOTAL
Mortgages payable	$29,930	$47,764	$75,654	$37,401	$113,685	$233,846	$538,280
Construction loans payable	389,510	102,312	—	—	—	—	491,822
Unsecured Facility	—	—	—	—	—	—	—
Unsecured Debentures	284,684	675,870	366,023	606,657	338,125	944,922	3,216,281
Unsecured Term Loans	424,521	250,359	—	—	—	—	674,880
Total	**$1,128,645**	**$1,076,305**	**$441,677**	**$644,058**	**$451,810**	**$1,178,768**	**$4,921,263**

27. COMMITMENTS AND CONTINGENCIES

Allied has entered into commitments relating to development and upgrade activity. The commitments as at December 31, 2024, were $131,338 (December 31, 2023 - $168,477, includes $406 held within equity accounted investments).

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 consolidated financial statements.

Allied, through a financial intermediary, has issued letters of credit in the amount of $20,304 as at December 31, 2024 (December 31, 2023 - $23,226).

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.

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