



Allied Announces \$450 Million Green Bond Offering

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Allied Properties Real Estate Investment Trust (“Allied”) (TSX:AP.UN) announced today that it has agreed to offer, on a private placement basis in each of the provinces and territories of Canada (the “Offering”), \$450 million aggregate principal amount of series K senior unsecured debentures that will bear interest at a rate of 4.808% per annum and will mature on February 24, 2029 (the “Debentures”).

The Debentures will be issued under Allied’s Green Financing Framework (the “Framework”), which is available on Allied’s website at <https://www.alliedreit.com/company/esg/>.

The Debentures will be sold at par with a yield of 4.808% per annum, and are being offered on an agency basis by a syndicate of agents co-led by Scotiabank, RBC Capital Markets and CIBC Capital Markets, and including BMO Capital Markets and TD Securities. Subject to customary closing conditions, the Offering is expected to close on February 24, 2025.

Allied intends to allocate the net proceeds of the Offering toward the financing and/or refinancing of Eligible Green Projects, in line with the Framework. Before allocating the proceeds to these projects, Allied intends to utilize the funds for the full repayment of the construction loan on 19 Duncan Street in Toronto (approximately \$250 million), with the balance to be applied toward the repayment of Allied’s series C senior unsecured debentures due April 21, 2025 (\$200 million).

19 Duncan is comprised of 149,230 square feet of office GLA, 3,570 square feet of retail GLA, 464 rental-residential units, related common areas and facilities, 25 underground commercial parking stalls and 106 underground residential-parking stalls. The office component is fully leased to Thomson Reuters with a weighted-average lease term of 8.6 years. The lease-up of the residential component is underway and is expected to be completed in early 2026. With the office component completed in late 2023 and the residential component (known as “Toronto House”) to be completed shortly, the property is designed to, and applying for designation as, LEED Gold.

The repayment of the construction loan on 19 Duncan represents progress toward Allied's stated objectives of minimizing variable-rate debt and extending the term-to-maturity of its debt. It will also increase Allied's pool of unencumbered properties from 83% to 87%.

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

The Debentures are expected to be rated "BBB" with a Negative trend by Morningstar DBRS. The Debentures will rank equally with all other unsecured indebtedness of Allied that has not been subordinated.

The Debentures being offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the Debentures in the United States or in any jurisdiction in which such offer, sale or solicitation would be unlawful.

ABOUT ALLIED

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.

CAUTIONARY STATEMENTS

This press release may contain forward-looking statements with respect to Allied including the expected proceeds of the Offering, the closing date of the Offering and the intended use of the net proceeds thereof, and the expected timing of the completion and lease-up of the residential component of 19 Duncan. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Allied discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Important factors that could cause actual results to differ materially from expectations include, among other things, financing and interest rates, general economic and market conditions and other factors described under "Risks and Uncertainties" in Allied's Annual MD&A, which is available at www.sedarplus.ca. These cautionary statements qualify all forward-looking statements attributable to Allied and persons acting on Allied's behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release and, except as required by applicable law, Allied has no obligation to update such statements.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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