ALLIED

Allied Announces Fourth-Quarter and Year-End Results

TORONTO, FEBRUARY 4, 2025

Allied Properties Real Estate Investment Trust ("Allied") (TSX: "AP.UN") today announced results for its fourth quarter and year ended December 31, 2024. "Our occupied and leased area remained steady for the third consecutive quarter, and our urban workspace portfolio continued to outperform in terms of occupancy and rent growth in all urban submarkets other than Vancouver," said Cecilia Williams, President & CEO. "With demand rising in our cities and across our three workspace formats, we expect to increase our occupied and leased area and propel rent growth over the course of 2025."

OPERATIONS

Allied's portfolio is comprised of three urban workspace formats. Allied Heritage is a format created through the adaptive re-use of light industrial structures for office use above grade and retail use at grade. The buildings are inherently distinctive, clustered in the urban core and generally low-rise. Allied Modern is a format created specifically for office use. The buildings are generally mid- to high-rise, clustered in the urban core and distinctive by virtue of design, integration with heritage structure and/or integration with the different elements of mixed-use, amenity-rich urban neighbourhoods. Located primarily in Toronto, Allied Flex is a limited format for buildings that Allied intends to redevelop comprehensively within a five-to 10-year period. Because of the near-term transformation of these buildings, Allied can make workspace in them available profitably and on more flexible than normal terms for users.

Utilization of, and demand for, Allied's workspace continued to strengthen in the fourth quarter. In the Montréal, Calgary and Vancouver rental portfolios, demand for Allied Heritage was most pronounced. In the Toronto rental portfolio, demand was strong across all three formats.

Allied conducted 255 lease tours in its rental portfolio in the fourth quarter. Its occupied and leased area at the end of the quarter was 85.9% and 87.2%, respectively. Allied renewed 69% of the leases maturing in the quarter, much closer to its normal level of 70% to 75%.

Allied leased a total of 571,298 square feet of GLA in the fourth quarter, 527,978 square feet in its rental portfolio and 43,320 square feet in its development portfolio. Of the 527,978 square feet Allied leased in its rental portfolio, 84,724 square feet were vacant, 212,834 square feet were maturing in the quarter and 230,420 square feet were maturing after the quarter. 56,077 square feet of the vacant space leased in the quarter involved expansion by existing users, a long-standing trend in Allied's rental portfolio that appears to be regaining momentum.

Average in-place net rent per occupied square foot continued its steady improvement, ending the fourth quarter at $25.41. Allied continued to achieve rent increases on renewal in the fourth quarter (up 2.0% ending-to-starting base rent and up 5.9% average-to-average base rent).

2024 ACQUISITIONS AND NON-CORE PROPERTY SALES

"We remain committed to our vision, mission and core strategy," said Michael Emory, Founder & Executive Chair. "Given our confidence in the future of Canada's major cities, we'll continue to grow our business with a view to serving knowledge-based organizations ever more comprehensively and successfully over time."

In 2024, Allied acquired three triple-A urban properties for $677 million -- 400 West Georgia Street in Vancouver, the remaining 50% interest in 19 Duncan Street in Toronto and an additional 16.7% interest in the residential component of TELUS Sky (now known as "Calgary House"), bringing its ownership to 50%. The aggregate acquisition price was below development and replacement cost.

- 400 West Georgia is comprised of 340,846 square feet of office GLA, 6,546 square feet of retail GLA and 163 underground parking stalls. The property is 82% leased to Deloitte, Apple, Northeastern University, Spaces, RBC, a local café and a local restaurant, all with a weighted-average lease term of 11 years. Completed in late 2023, the property is designated LEED Platinum.
- 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.
- Calgary House is comprised of 326 rental-residential units, related common areas and 176 underground parking stalls. The property is 91.8% leased. Completed in late 2020, the property is designated LEED Gold.

Allied paid for the three triple-A urban properties by (i) converting loans receivable of $232 million into equity and (ii) incurring $445 million of short-term, variable-rate debt on 400 West Georgia and 19 Duncan. Allied has since replaced the debt on 400 West Georgia with a first mortgage of $180 million at 5.25% per annum for a term of five and one-half years. Allied has since sold seven lower-yielding, non-core properties -- four in Montréal, one in Toronto, one in Ottawa and one in Calgary -- for $229 million, which was allocated to debt repayment in the fourth quarter.

In Management's view, the temporary contraction in cashflow per unit resulting from the acquisition of 400 West Georgia and 19 Duncan represents an investment in the future, one that will drive earnings and value growth on completion of lease-up by 2026. Management is also of the view that the two properties are important in meaningfully augmenting the Allied Modern format in two of Canada's most important urban office markets.

2024 BALANCE-SHEET MANAGEMENT

By the end of 2024, Allied

(i) reduced the amount drawn on its $800 million unsecured revolving operating facility to nil, affording it considerable liquidity going into 2025,

(ii) reduced short-term, variable rate debt to $153 million, representing 3.5% of its total debt,

(iii) had a total debt ratio* of 41.7% and

(iv) had net debt as a multiple of annualized adjusted EBITDA* of 10.8x.

Allied is committed to maintaining and ultimately improving its access to the debt capital markets and will continue to manage its balance sheet accordingly.

OUTLOOK

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.

FINANCIAL MEASURES

The following tables summarize GAAP financial measures for the three months and years ended December 31, 2024, and 2023:

	FOR THE THREE MONTHS ENDED DECEMBER 31			
(in thousands except for % amounts)	**2024**	2023	CHANGE	% CHANGE
Continuing operations				
Rental revenue	**$155,120**	$150,898	$4,222	2.8%
Property operating costs	**$(70,737)**	$(69,029)	$(1,708)	(2.5)%
Operating income	**$84,383**	$81,869	$2,514	3.1%
Interest income	**$10,393**	$18,749	$(8,356)	(44.6)%
Interest expense	**$(31,743)**	$(30,265)	$(1,478)	(4.9)%
General and administrative expenses (1)	**$(8,374)**	$(6,729)	$(1,645)	(24.4)%
Condominium marketing expenses	**$(17)**	$(89)	$72	80.9%
Amortization of other assets	**$(388)**	$(381)	$(7)	(1.8)%
Transaction costs	**$(1,586)**	$(167)	$(1,419)	(849.7)%
Net income (loss) from joint venture	**$105**	$(14,131)	$14,236	100.7%

* *This is a non-GAAP measure. FFO per unit and AFFO per unit exclude condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation. Refer to the Non-GAAP Measures section below.*

(in thousands except for % amounts)	FOR THE THREE MONTHS ENDED DECEMBER 31 2024	2023	CHANGE	% CHANGE
Fair value loss on investment properties and investment properties held for sale	$(346,035)	$(494,571)	$148,536	30.0%
Fair value gain (loss) on Exchangeable LP Units	$36,254	$(26,571)	$62,825	236.4%
Fair value loss on derivative instruments	$(644)	$(27,054)	$26,410	97.6%
Net loss and comprehensive loss from continuing operations	$(257,652)	$(499,340)	$241,688	48.4%
Net loss and comprehensive loss from discontinued operations	$—	$—	$—	—%
Net loss and comprehensive loss	$(257,652)	$(499,340)	$241,688	48.4%

(1) *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 mark-to-market adjustments on unit-based compensation of $1,618. 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.*

(in thousands except for % amounts)	FOR THE YEAR ENDED DECEMBER 31 2024	2023	CHANGE	% CHANGE
Continuing operations				
Rental revenue	$592,040	$563,980	$28,060	5.0 %
Property operating costs	$(263,566)	$(246,949)	$(16,617)	(6.7)%
Operating income	$328,474	$317,031	$11,443	3.6%
Interest income	$45,069	$53,605	$(8,536)	(15.9)%
Interest expense	$(116,467)	$(107,073)	$(9,394)	(8.8)%
General and administrative expenses (1)	$(24,333)	$(23,577)	$(756)	(3.2)%
Condominium marketing expenses	$(134)	$(538)	$404	75.1%
Amortization of other assets	$(1,538)	$(1,499)	$(39)	(2.6)%
Transaction costs	$(1,722)	$(167)	$(1,555)	(931.1)%
Net income (loss) from joint venture	$1,842	$(15,622)	$17,464	111.8%
Fair value loss on investment properties and investment properties held for sale	$(557,569)	$(772,652)	$215,083	27.8%
Fair value gain on Exchangeable LP Units	$35,782	$28,696	$7,086	24.7%
Fair value loss on derivative instruments	$(13,675)	$(8,535)	$(5,140)	(60.2)%
Impairment of residential inventory	$(38,259)	$(15,376)	$(22,883)	(148.8)%
Net loss and comprehensive loss from continuing operations	$(342,530)	$(545,707)	$203,177	37.2%
Net income and comprehensive income from discontinued operations	$—	$124,991	$(124,991)	(100.0)%
Net loss and comprehensive loss	$(342,530)	$(420,716)	$78,186	18.6%

(1) *For the year ended December 31, 2024, general and administrative expenses increased by $756 or 3.2% from the comparable period primarily due to the change in mark-to-market adjustments on unit-based compensation of $387. 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.*

The following table summarizes other financial measures as at December 31, 2024, and 2023:

(in thousands except for per unit and % amounts)	AS AT DECEMBER 31			
	2024	2023	CHANGE	% CHANGE
Investment properties (1)	**$9,448,363**	$9,387,032	$61,331	0.7%
Unencumbered investment properties (2)	**$7,817,543**	$8,757,510	$(939,967)	(10.7)%
Total Assets (1)	**$10,603,979**	$10,609,285	$(5,306)	(0.1)%
Cost of PUD as a % of GBV (2)	**10.1%**	11.6%	—	(1.5)%
NAV per unit (3)	**$41.25**	$45.60	$(4.35)	(9.5)%
Debt (1)	**$4,403,375**	$3,659,611	$743,764	20.3%
Total indebtedness ratio (2)	**41.7%**	34.7%	—	7.0%
Annualized Adjusted EBITDA (2)	**$393,404**	$410,488	$(17,084)	(4.2)%
Net debt as a multiple of Annualized Adjusted EBITDA (2)	**10.8x**	8.2x	2.6x	—
Interest coverage ratio including interest capitalized and excluding financing prepayment costs - three months trailing (2)	**2.3x**	2.9x	(0.6x)	—
Interest coverage ratio including interest capitalized and excluding financing prepayment costs - twelve months trailing (2)	**2.4x**	2.5x	(0.1x)	—

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

(2) This is a non-GAAP measure and includes the results of the continuing operations and the discontinued operations. Refer to the Non-GAAP Measures section below.

(3) 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.

NON-GAAP MEASURES

Management uses financial measures based on International Financial Reporting Standards ("IFRS" or "GAAP") and non-GAAP measures to assess Allied's performance. Non-GAAP measures do not have any standardized meaning prescribed under IFRS, and therefore, should not be construed as alternatives to net income or cash flow from operating activities calculated in accordance with IFRS. Refer to the Non-GAAP Measures section on page 17 of the MD&A as at December 31, 2024, available on www.sedarplus.ca, for an explanation of the composition of the non-GAAP measures used in this press release and their usefulness for readers in assessing Allied's performance. Such explanation is incorporated by reference herein.

The following tables summarize non-GAAP financial measures for the three months and years ended December 31, 2024, and 2023:

(in thousands except for per unit and % amounts)(1)	FOR THE THREE MONTHS ENDED DECEMBER 31			
	2024	2023	CHANGE	% CHANGE
Adjusted EBITDA	**$98,351**	$102,622	$(4,271)	(4.2)%
Same Asset NOI - rental portfolio	**$74,128**	$74,584	$(456)	(0.6)%
Same Asset NOI - total portfolio	**$82,446**	$81,287	$1,159	1.4%
FFO	**$72,395**	$85,460	$(13,065)	(15.3)%
FFO per unit (diluted)	**$0.518**	$0.611	$(0.093)	(15.2)%
FFO pay-out ratio	**86.9%**	73.6%	—	13.3%
AFFO	**$64,274**	$78,306	$(14,032)	(17.9)%
AFFO per unit (diluted)	**$0.460**	$0.560	$(0.100)	(17.9)%
AFFO pay-out ratio	**97.9%**	80.3%	—	17.6%

(in thousands except for per unit and % amounts)[(1)]	FOR THE THREE MONTHS ENDED DECEMBER 31			
	2024	2023	CHANGE	% CHANGE
All amounts below are excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation:				
FFO	**$74,747**	$85,765	$(11,018)	(12.8)%
FFO per unit (diluted)	**$0.535**	$0.614	$(0.079)	(12.9)%
FFO pay-out ratio	**84.1%**	73.3%	—	10.8%
AFFO	**$66,626**	$78,611	$(11,985)	(15.2)%
AFFO per unit (diluted)	**$0.477**	$0.562	$(0.085)	(15.1)%
AFFO pay-out ratio	**94.4%**	80.0%	—	14.4%

(1) These non-GAAP measures include the results of the continuing operations and the discontinued operations (except for Same Asset NOI - rental portfolio, which only includes continuing operations).

(in thousands except for per unit and % amounts)[(1)]	FOR THE YEAR ENDED DECEMBER 31			
	2024	2023	CHANGE	% CHANGE
Adjusted EBITDA	**$389,239**	$416,019	$(26,780)	(6.4)%
Same Asset NOI - rental portfolio	**$283,893**	$291,325	$(7,432)	(2.6)%
Same Asset NOI - total portfolio	**$328,638**	$321,500	$7,138	2.2%
FFO	**$303,278**	$332,578	$(29,300)	(8.8)%
FFO per unit (diluted)	**$2.170**	$2.380	$(0.210)	(8.8)%
FFO pay-out ratio	**83.0%**	75.6%	—	7.4%
AFFO	**$272,906**	$304,181	$(31,275)	(10.3)%
AFFO per unit (diluted)	**$1.953**	$2.176	$(0.223)	(10.2)%
AFFO pay-out ratio	**92.2%**	82.7%	—	9.5%
All amounts below are excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation				
FFO	**$303,806**	$332,622	$(28,816)	(8.7)%
FFO per unit (diluted)	**$2.174**	$2.380	$(0.206)	(8.7)%
FFO pay-out ratio	**82.8%**	75.6%	—	7.2%
AFFO	**$273,434**	$304,225	$(30,791)	(10.1)%
AFFO per unit (diluted)	**$1.956**	$2.177	$(0.221)	(10.2)%
AFFO pay-out ratio	**92.0%**	82.7%	—	9.3%

(1) These non-GAAP measures include the results of the continuing operations and the discontinued operations (except for Same Asset NOI - rental portfolio, which only includes continuing operations).

The following tables reconcile the non-GAAP measures to the most comparable IFRS measures for the three months and years ended December 31, 2024, and 2023. These terms do not have any standardized meaning prescribed under IFRS and may not be comparable to similarly titled measures presented by other publicly traded entities.

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 2023.

	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 from Q4 2022 until its disposition in August 2023.

The following table reconciles operating income to net operating income, a non-GAAP measure, for the three months and years ended December 31, 2024, and 2023.

	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 from Q4 2022 until its disposition in August 2023. For the three months and year ended December 31, 2023, the Urban Data Centre segment's amortization of improvement allowances was $nil and $326, respectively and the amortization of straight-line rent was $nil and $(695), respectively.

Same Asset NOI, a non-GAAP measure, is measured as the net operating income for the properties that Allied owned and operated for the entire duration of both the current and comparative period.

	THREE MONTHS ENDED		CHANGE	
	DECEMBER 31, 2024	DECEMBER 31, 2023	$	%
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)	
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.

	YEAR ENDED		CHANGE	
	DECEMBER 31, 2024	DECEMBER 31, 2023	$	%
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.

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 non-GAAP measures, for the three months and years ended December 31, 2024, and 2023.

	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	**(3,357)**	(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)
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)

	THREE MONTHS ENDED		
	DECEMBER 31, 2024	DECEMBER 31, 2023	CHANGE
Weighted average number of units [3]			
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) 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)

	YEAR ENDED		
	DECEMBER 31, 2024	DECEMBER 31, 2023	CHANGE
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	**(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)
Weighted average number of units (3)			
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%

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(3) 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.

CAUTIONARY STATEMENTS

This press release may contain forward-looking statements with respect to Allied, its operations, strategy, financial performance and condition, and the assumptions underlying any of the foregoing. These statements generally can be identified by the use of forward-looking words such as “forecast”, “goals”, “outlook”, “may”, “will”, “expect”, “estimate”, “anticipate”, “intends”, “believe”, “assume”, “plans” or “continue” or the negative thereof or similar variations. The forward-looking statements in this press release 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 under “Risks and Uncertainties” in Allied’s Annual MD&A, which is available at www.sedarplus.ca. Those risks and uncertainties include risks associated with financing and interest rates, access to capital, general economic conditions and joint arrangements and partnerships. Allied’s actual results and performance discussed herein could differ materially from those expressed or implied by such statements. These cautionary statements qualify all forward-looking statements attributable to Allied and persons acting on its behalf. 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.

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.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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