

ALLIED

Quarterly Report
March 31, 2025

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Management's Discussion and Analysis of Results of Operations and Financial Condition as at March 31, 2025

Section I

–Overview

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

This Management’s Discussion and Analysis (“MD&A”) of results of operations and financial condition relates to the three months ended March 31, 2025. Unless the context indicates otherwise, all references to “Allied”, “we”, “us” and “our” in this MD&A refer to Allied Properties Real Estate Investment Trust. The Board of Trustees (the “Board”) of Allied, upon the recommendation of its Audit Committee, approved the contents of this MD&A.

This MD&A has been prepared with an effective date of April 30, 2025, and should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto for the three months ended March 31, 2025. 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” or “GAAP”) 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 21, respectively.

SUMMARY OF KEY OPERATING AND FINANCIAL PERFORMANCE MEASURES

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

(\$'000's except per-square foot, per-unit and financial ratios)	THREE MONTHS ENDED		YEAR ENDED
	MARCH 31, 2025	MARCH 31, 2024	DECEMBER 31, 2024
Leased area ⁽¹⁾	86.9%	87.0%	87.2%
Occupied area ⁽¹⁾	85.9%	85.9%	85.9%
Average in-place net rent per occupied square foot ⁽¹⁾	25.30	24.10	25.41
Retention rate ⁽¹⁾⁽²⁾	75.1%	69.0%	69.3%
Rent (decrease) increase on renewal ⁽¹⁾	(0.3)%	4.7%	1.9%
Investment properties ⁽³⁾	9,322,162	9,303,305	9,448,363
Unencumbered investment properties ⁽⁴⁾	8,178,802	8,634,755	7,817,543
Total assets ⁽³⁾	10,477,229	10,475,397	10,603,979
Cost of PUD as % of GBV ⁽⁴⁾	8.6%	11.1%	10.1%
NAV per unit ⁽⁵⁾	39.99	44.84	41.25
Debt ⁽³⁾	4,475,769	3,719,172	4,403,375
Total indebtedness ratio ⁽⁴⁾	42.9%	35.9%	41.7%
Annualized Adjusted EBITDA ⁽⁴⁾	378,196	386,012	389,239
Net debt as a multiple of Annualized Adjusted EBITDA ⁽⁴⁾	11.6x	9.4x	10.9x
Interest coverage ratio including interest capitalized and excluding financing prepayment costs - three months trailing ⁽⁴⁾	2.2x	2.8x	2.3x
Interest coverage ratio including interest capitalized and excluding financing prepayment costs - twelve months trailing ⁽⁴⁾	2.3x	2.6x	2.4x
Rental revenue ⁽³⁾	150,636	143,577	592,040
Property operating costs ⁽³⁾	(69,401)	(65,106)	(263,566)
Operating income ⁽³⁾	81,235	78,471	328,474
Net loss and comprehensive loss ⁽³⁾	(107,660)	(18,763)	(342,530)
Net income excluding fair value adjustments, transaction costs, financing prepayment costs and impairment ⁽⁴⁾	53,982	63,251	233,307
Adjusted EBITDA ⁽⁴⁾	94,549	96,503	389,239
Same Asset NOI - rental portfolio ⁽⁴⁾	76,522	75,355	N/A
Same Asset NOI - total portfolio ⁽⁴⁾	82,784	81,127	N/A
FFO ⁽⁴⁾	71,084	81,149	303,278
FFO per unit (diluted) ⁽⁴⁾	0.509	0.581	2.170
FFO payout ratio ⁽⁴⁾	88.5%	77.5%	83.0%

(\$000's except per-square foot, per-unit and financial ratios)	THREE MONTHS ENDED		YEAR ENDED
	MARCH 31, 2025	MARCH 31, 2024	DECEMBER 31, 2024
All amounts below are excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation ⁽⁴⁾:			
FFO	71,515	80,794	303,806
FFO per unit (diluted)	0.512	0.578	2.174
FFO payout ratio	87.9%	77.8%	82.8%
AFFO	65,256	75,054	273,434
AFFO per unit (diluted)	0.467	0.537	1.956
AFFO payout ratio	96.4%	83.8%	92.0%

(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. Refer to User Retention on page 40 for further details.

(3) This measure is presented on a GAAP basis.

(4) This is a non-GAAP measure, as defined on page 17.

(5) Net asset value per unit ("NAV per unit") is calculated as total equity plus the value of class B limited partnership units of Allied Properties Exchangeable Limited Partnership ("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.

Operating and Financial Highlights

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

Q1 2025 Operating Results ⁽¹⁾

LEASED AREA	AVERAGE IN-PLACE NET RENT PER OCCUPIED SQUARE FOOT	RENT DECREASE ON RENEWAL	WEIGHTED AVERAGE REMAINING LEASE TERM IN YEARS
86.9%	\$25.30	(0.3)%	5.6
OCCUPIED AREA	2024: \$24.10 ↑ 5.0% from Q1 2024		
85.9%			

Q1 2025 Financial Results

SAME ASSET NOI - RENTAL PORTFOLIO ⁽²⁾	FFO PER UNIT ⁽²⁾⁽³⁾	AFFO PER UNIT ⁽²⁾⁽³⁾
↑ 1.5%	\$0.512	\$0.467
from Q1 2024	↓ 11.4% from Q1 2024	↓ 13.0% from Q1 2024

Q1 2025 Balance Sheet

LIQUIDITY ⁽⁴⁾	UNENCUMBERED INVESTMENT PROPERTIES ⁽²⁾	
\$717.8M	\$8.2B	
\$817.8M including accordion	87.7% of investment properties ⁽³⁾	
NET DEBT AS A MULTIPLE OF ANNUALIZED ADJUSTED EBITDA ⁽²⁾	TOTAL INDEBTEDNESS RATIO ⁽²⁾	INTEREST COVERAGE RATIO ⁽²⁾⁽⁵⁾
11.6x	42.9%	2.2x

ESG Results ⁽⁶⁾

2024 GRESB SCORE FOR STANDING INVESTMENTS	2024 GRESB SCORE FOR DEVELOPMENT		
84/100	86/100		
Down from 85/100 in 2023	Down from 87/100 in 2023		
2023 WATER USE INTENSITY (WUI)	2023 WASTE DIVERSION	2023 ENERGY USE INTENSITY (EUI)	2023 GREENHOUSE GAS INTENSITY (GHGI)
↑ 2% from 2022	↑ 8% from 2022	↓ 7% from 2022	↓ 7% from 2022
↓ 30% from 2019 baseline	↑ 10% from 2019 baseline	↓ 19% from 2019 baseline	↓ 17% 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 the period.

(2) This is a non-GAAP measure, as defined on page 17.

(3) 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 and the amount available on Allied's unsecured revolving operating facility as at March 31, 2025.

(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 \$0.7B
and Investment Properties Held for Sale valued at \$0.3B)

TOTAL RENTAL
PORTFOLIO GLA ⁽²⁾

14.3M _{SF}

VANCOUVER

1.2M

SF

ALLIED LEASED	85.6%
ALLIED OCCUPANCY	82.4%
MARKET OCCUPANCY ⁽¹⁾	90.9%
PROPERTIES	13
EMPLOYEES	21

MONTRÉAL

6.0M

SF

ALLIED LEASED	87.4%
ALLIED OCCUPANCY	87.1%
MARKET OCCUPANCY ⁽¹⁾	84.0%
PROPERTIES	26
EMPLOYEES	74

CALGARY

1.2M

SF

ALLIED LEASED	83.8%
ALLIED OCCUPANCY	80.9%
MARKET OCCUPANCY ⁽¹⁾	74.4%
PROPERTIES	30
EMPLOYEES	29

TORONTO

5.2M

SF

ALLIED LEASED	88.0%
ALLIED OCCUPANCY	87.3%
MARKET OCCUPANCY ⁽¹⁾	78.3%
PROPERTIES	100
ANCILLARY PARKING FACILITIES	10
EMPLOYEES	224

KITCHENER

0.7M

SF

ALLIED LEASED	81.5%
ALLIED OCCUPANCY	80.0%
MARKET OCCUPANCY ⁽¹⁾	60.6%
PROPERTIES	6
ANCILLARY PARKING FACILITY	1
EMPLOYEES	4

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

(2) Excludes 671 suites in Allied's rental-residential portfolio. See Section X - Property Table - Rental Residential.

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

The Board is responsible for the oversight of the ESG Strategy and ESG initiatives developed by management, including the integration of sustainability into Allied’s overall business strategy, the development of Allied’s Net Zero Carbon Plan and emissions reduction targets. The Governance, Compensation and Nomination Committee (the “GC&NC”) oversees and monitors Allied’s ESG performance, including performance against Allied’s emissions reduction targets, and reviews Allied’s ESG Report, ESG Policy and other governance policies and practices annually. Allied’s Executive ESG Committee assists management and the Board in defining, designing, implementing, expanding and evaluating Allied’s ESG Strategy and ESG initiatives.

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.

Management reports to the Board at least once annually with respect to: (i) Allied’s ESG Strategy and ESG initiatives, including Allied’s progress in advancing its Net Zero Carbon Plan and performance against its emissions reduction targets; and (ii) climate risks and opportunities, Allied’s strategy for mitigating and addressing climate risks, and the status of Allied’s climate-related risk management measures. The overview of relevant climate-related risks and opportunities, and the results of management’s scenario analysis, inform the Board’s review of Allied’s strategy, risk management and operating performance.

NET ZERO CARBON PATHWAY

As part of its continuing decarbonization efforts, Allied committed to set near- and long- term greenhouse gas (“GHG”) emissions reduction targets for its rental and development portfolios, in line with the Science-Based Targets initiative (“SBTi”) and a 1.5°C decarbonization pathway. Allied’s primary goal for 2025 is to have its targets validated by the SBTi and to implement its multi-year plan to achieve these targets by 2030. Allied submitted its targets for validation by the SBTi in February 2025 and will disclose them once they have been validated.

ESG HIGHLIGHTS

Committed to Science-Based Emissions Reduction Targets

Allied submitted its near- and long- term greenhouse gas emissions reduction targets for validation by SBTi in February 2025 and will disclose them once they have been validated.

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

In February 2025, Allied issued its third green bond under its Green Financing Framework for \$450 million. In addition, on its \$75 million sustainability-linked construction lending facility for the development of 108 East 5th Avenue in Vancouver, Allied exceeded one of the sustainability performance targets for 2023, as more than 10% of individuals in its construction and construction-related labour identified themselves as equity deserving groups⁽¹⁾. The second sustainability performance target, which is a green building certification, is to be assessed upon completion of the building.

Outperformed 2024 Targets ⁽²⁾

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).

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 2024 User Experience Assessment indicated that 93% of users are satisfied with its commitment to EDI.

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.

Supported over 1,500 Artists

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

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

(2) These metrics are based on Allied's 2023 ESG Report, available on www.alliedreit.com.

(3) Net Promoter Score is a widely-used metric to measure user satisfaction and loyalty.

BUSINESS ENVIRONMENT AND OUTLOOK

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 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.

Management has observed that the ongoing disruption of global trade is slowing decision-making with respect to long-term lease commitments in limited instances. While currently on target with respect to its operating goals for 2025, Management cautions that the ongoing disruption of global trade may impede Allied's ability to achieve its operating goals within the estimated timeframe.

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. 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 Accounting Standards and, therefore, should not be construed as alternatives to net income, cash flow from operating activities, or any other measure prescribed under IFRS Accounting Standards. These terms are defined in the following table and reconciliations to the most comparable IFRS Accounting Standards measure are referenced, as applicable. The following terms do not have a standardized meaning prescribed by IFRS Accounting Standards 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 Accounting Standards. 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 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, 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, which is the most directly comparable GAAP 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, which is the most directly comparable GAAP measure. Management believes this is a useful measure as these condominium and financing prepayment items are not indicative of recurring operating performance, and the mark-to-market adjustments of unit-based compensation can fluctuate widely with the market.	Section II - Operations - Other Financial Performance Measures

NON-GAAP MEASURE	DEFINITION	RECONCILIATION
Adjusted Funds from Operations (“AFFO”)	AFFO is a non-GAAP financial measure used by most Canadian real estate investment trusts based on a standardized definition established 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, which is the most directly comparable GAAP measure. Management considers AFFO to be a useful measure of recurring economic earnings and relevant in understanding Allied’s ability to service its debt, fund capital expenditures and provide distributions to Unitholders.	Section II - Operations - Other Financial Performance Measures
AFFO excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation	AFFO excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation starts with AFFO and removes the effects of condominium revenue, condominium cost of sales, condominium marketing costs, financing prepayment costs and the mark-to-market adjustment on unit-based compensation. AFFO excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation is reconciled to net income and comprehensive income, which is the most directly comparable GAAP 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 excluding fair value adjustments, transaction costs, financing prepayment costs and impairment	Net income excluding fair value adjustments, transaction costs, financing prepayment costs and impairment is a non-GAAP financial measure that starts with net income 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 a GAAP 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 less property operating costs on a proportionate basis. It excludes condominium revenue and condominium cost of sales. The most directly comparable GAAP 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”)	NOI 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 rents on a proportionate basis. The most directly comparable IFRS measure to NOI is Operating Income. Management believes this is a useful measure as it demonstrates the cash generating operating performance of its income producing properties.	Section II - Operations - Net Operating Income

NON-GAAP MEASURE	DEFINITION	RECONCILIATION
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 GAAP 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 GAAP 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 GAAP 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
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 GAAP 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 GAAP measure to net debt is debt. Management considers net debt a useful measure for evaluating debt levels.	Section VI - Liquidity and Capital Resources - Debt

NON-GAAP MEASURE	DEFINITION	RECONCILIATION
Net debt as a multiple of Annualized Adjusted EBITDA	<p>Net debt as a multiple of Annualized Adjusted EBITDA is a non-GAAP measure of Allied's financial leverage and is defined as net debt divided by Annualized Adjusted EBITDA. This measure indicates the number of years required for Allied's Annualized Adjusted EBITDA to repay all outstanding debts, taking into consideration the cash on hand to decrease debt. Management considers this metric a useful measure for evaluating Allied's ability to service its debt.</p>	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	<p>FFO and AFFO payout ratios and FFO and AFFO payout ratios excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation are non-GAAP measures.</p> <p>These payout ratios are calculated by dividing the actual distributions declared (excluding any special distributions declared in cash or Units, as applicable) 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.</p> <p>Management considers these metrics a useful way to evaluate Allied's distribution paying capacity.</p>	N/A
Interest Coverage Ratio and Interest Coverage Ratio including interest capitalized and Interest Coverage Ratio including interest capitalized and excluding financing prepayment costs	<p>Interest coverage ratio, interest coverage ratio including interest capitalized, and interest coverage ratio including interest capitalized and excluding financing prepayment costs are non-GAAP measures calculated on a trailing three-month basis and twelve-month basis.</p> <p>Interest coverage ratio is defined as Adjusted EBITDA divided by interest expense excluding the distributions on Exchangeable LP Units which are recognized as interest expense.</p> <p>Interest coverage ratio including interest capitalized is defined as Adjusted EBITDA divided by interest expense with interest capitalized included. The interest expense excludes the distributions on the Exchangeable LP Units, which are recognized as interest expense.</p> <p>Interest coverage ratio including interest capitalized and excluding financing prepayment costs is defined as Adjusted EBITDA divided by interest expense with interest capitalized included and financing prepayment costs excluded. The interest expense excludes the distributions on Exchangeable LP Units which are recognized as interest expense.</p> <p>Management considers these metrics useful as they indicate Allied's ability to meet its interest cost obligations.</p>	N/A
Total Indebtedness Ratio or Total Debt Ratio	<p>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.</p>	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; targets on its GHG emissions; completion of a climate scenario analysis; the expected closing date of the sale of the Boardwalk-Revillion Building; 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 including tariffs and other trade protection measures, 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 April 30, 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 unaudited condensed consolidated statements of loss and comprehensive loss from a GAAP basis to a proportionate basis, which is a non-GAAP measure, for the three months ended March 31, 2025, and March 31, 2024, as defined on page 17.

There is an additional table to reconcile net loss and comprehensive loss to net income excluding fair value adjustments, transaction costs, financing prepayment costs and impairment, a non-GAAP measure, for the three months ended March 31, 2025, and March 31, 2024, as defined on page 17.

On December 19, 2024, the TELUS Sky Partnership (in which Allied owns a one-third interest) sold the commercial component of TELUS Sky and Calgary House - 655 Centre Street SW, which was previously known as the residential component of TELUS Sky. Accordingly, the TELUS Sky Partnership no longer owns any interest in TELUS Sky after this disposition. Refer to notes 4 and 7 in Allied's unaudited condensed consolidated financial statements for the three months ended March 31, 2025, and March 31, 2024, for further details.

THREE MONTHS ENDED

	MARCH 31, 2025			MARCH 31, 2024		
	GAAP BASIS	INVESTMENT IN JOINT VENTURE	PROPORTIONATE BASIS	GAAP BASIS	INVESTMENT IN JOINT VENTURE	PROPORTIONATE BASIS
Rental revenue	\$150,636	\$—	\$150,636	\$143,577	\$2,055	\$145,632
Property operating costs	(69,401)	—	(69,401)	(65,106)	(1,445)	(66,551)
Operating income	\$81,235	\$—	\$81,235	\$78,471	\$610	\$79,081
Interest income	10,095	—	10,095	14,759	13	14,772
Interest expense	(30,684)	—	(30,684)	(23,431)	—	(23,431)
General and administrative expenses	(6,706)	—	(6,706)	(6,498)	—	(6,498)
Condominium marketing expenses	(8)	—	(8)	(35)	—	(35)
Amortization of other assets	(373)	—	(373)	(378)	(59)	(437)
Net income from joint venture	—	—	—	752	(752)	—
Fair value (loss) gain on investment properties and investment properties held for sale	(164,099)	—	(164,099)	(119,192)	188	(119,004)
Fair value gain on Exchangeable LP Units	8,975	—	8,975	29,641	—	29,641
Fair value (loss) gain on derivative instruments	(6,095)	—	(6,095)	7,148	—	7,148
Net loss and comprehensive loss	\$(107,660)	\$—	\$(107,660)	\$(18,763)	\$—	\$(18,763)

	THREE MONTHS ENDED	
	MARCH 31, 2025	MARCH 31, 2024
Net loss and comprehensive loss	\$(107,660)	\$(18,763)
Fair value loss on investment properties and investment properties held for sale	164,099	119,192
Fair value gain on Exchangeable LP Units	(8,975)	(29,641)
Fair value loss (gain) on derivative instruments	6,095	(7,148)
Mark-to-market adjustment on unit-based compensation	423	(389)
Transaction costs	—	—
Financing prepayment costs	—	—
Impairment of residential inventory	—	—
Net income excluding fair value adjustments, transaction costs, financing prepayment costs and impairment	\$53,982	\$63,251

On a GAAP basis, operating income for the three months ended March 31, 2025, increased by \$2,764 or 3.5%, primarily driven by contributions from the acquisition of 400 West Georgia, Calgary House, and Adelaide & Duncan, and rent commencement from development completions at The Well, QRC West Phase II, 20 Breithaupt, and 700 Saint-Hubert. This was partially offset by dispositions, non-renewals and lower development fees. Adelaide & Duncan consists of commercial and residential components. The residential component is located at 225 Adelaide Street W and is known as Toronto House. The commercial component is located at 19 Duncan.

On a GAAP basis, net loss and comprehensive loss for the three months ended March 31, 2025, increased by \$88,897 or 473.8% from the comparable period in 2024, primarily due to a higher fair value loss on investment properties and investment properties held for sale of \$44,907, a lower fair value gain on Exchangeable LP Units of \$20,666, a higher fair value loss on derivative investments of \$13,243, higher interest expense of \$7,253 and lower interest income of \$4,664, partially offset by lower operating income of \$2,764.

NET OPERATING INCOME

Allied operates in six urban markets, which are Montréal, 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 ended March 31, 2025, 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	
	MARCH 31, 2025	MARCH 31, 2024
Operating income, GAAP basis	\$81,235	\$78,471
Add: investment in joint venture	—	610
Operating income, proportionate basis	\$81,235	\$79,081
Amortization of improvement allowances ⁽¹⁾	9,510	9,572
Amortization of straight-line rent ⁽¹⁾	(987)	(1,498)
Total NOI	\$89,758	\$87,155

(1) Includes Allied's proportionate share of the equity accounted investment of the following amounts for the three months ended March 31, 2025: amortization improvement allowances of \$nil (March 31, 2024 - \$179), and amortization of straight-line rent of \$nil (March 31, 2024 - \$(45)).

The following tables set out the NOI by segment and space type for the three months March 31, 2025, and the comparable period in 2024:

SEGMENT	THREE MONTHS ENDED				CHANGE	
	MARCH 31, 2025		MARCH 31, 2024		\$	%
Montréal & Ottawa ⁽¹⁾	\$27,428	30.6%	\$29,708	34.1%	\$(2,280)	(7.7)%
Toronto & Kitchener	46,331	51.6	44,700	51.3	1,631	3.6
Calgary & Edmonton	4,568	5.1	5,016	5.7	(448)	(8.9)
Vancouver	11,431	12.7	7,731	8.9	3,700	47.9
Total NOI	\$89,758	100.0%	\$87,155	100.0%	\$2,603	3.0%

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

TYPE OF SPACE	THREE MONTHS ENDED				CHANGE	
	MARCH 31, 2025		MARCH 31, 2024		\$	%
	Office	\$73,958	82.4%	\$71,180	81.7%	\$2,778
Retail	10,423	11.6	10,432	12.0	(9)	(0.1)
Parking	5,377	6.0	5,543	6.3	(166)	(3.0)
Total NOI	\$89,758	100.0%	\$87,155	100.0%	\$2,603	3.0%

The NOI for the three months ended March 31, 2025, increased by \$2,603 or 3.0%. This was primarily due to contributions from the acquisition of 400 West Georgia, Adelaide & Duncan and Calgary House of \$5,189 and rent commencement from development completions at The Well, QRC West Phase II, 20 Breithaupt and 700 Saint-Hubert of \$2,331. This was partially offset by dispositions, non-renewals and lower development fees of \$4,917.

SAME ASSET NOI

Same Asset NOI, a non-GAAP measure in the table below, refers to those investment properties that were owned by Allied from January 1, 2024, to March 31, 2025, as defined on page 17. Same Asset NOI of the development portfolio for the three months ended March 31, 2025, consists of 185 Spadina, KING Toronto, QRC West Phase II, 400 Atlantic, 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, 747 Square-Victoria and Toronto House.

	THREE MONTHS ENDED		CHANGE	
	MARCH 31, 2025	MARCH 31, 2024	\$	%
Montréal	\$25,795	\$24,977	\$818	3.3%
Toronto & Kitchener	39,889	39,449	440	1.1
Calgary	3,649	3,649	—	0.0
Vancouver	7,189	7,280	(91)	(1.3)
Rental portfolio - Same Asset NOI	\$76,522	\$75,355	\$1,167	1.5%
Assets held for sale - Same Asset NOI	3,152	3,292	(140)	(4.3)
Rental portfolio and assets held for sale - Same Asset NOI	\$79,674	\$78,647	\$1,027	1.3%
Development portfolio - Same Asset NOI ⁽¹⁾	3,110	2,480	630	25.4
Total portfolio - Same Asset NOI	\$82,784	\$81,127	\$1,657	2.0%
Acquisitions ⁽²⁾	5,189	—	5,189	
Dispositions	(6)	3,108	(3,114)	
Lease terminations	72	8	64	
Development fees and corporate items	1,719	2,912	(1,193)	
Total NOI	\$89,758	\$87,155	\$2,603	3.0%

(1) Includes Allied's 50% interest in Toronto House. Allied acquired an incremental 50% interest in Toronto House after March 31, 2024, which is included in the acquisitions NOI.

(2) Includes Allied's 100% ownership of 400 West Georgia acquired in increments starting on April 1, 2024, Allied's incremental 50% interest in Adelaide & Duncan acquired after April 1, 2024, and Allied's incremental 16.7% interest in Calgary House acquired on December 20, 2024.

Same Asset NOI of the total portfolio increased by \$1,657 or 2.0% for the three months ended March 31, 2025. Same Asset NOI of the rental portfolio increased by \$1,167 or 1.5% primarily due to rent commencement from the development completions at 20 Breithaupt in Kitchener, and 700 Saint-Hubert and 1001 Boulevard Robert-Bourassa in Montréal of \$1,701, partially offset by non-renewals.

Same Asset NOI of the development portfolio increased by \$630 or 25.4%, primarily due to rent commencement at The Well and QRC West Phase II of \$ 2,469. This was partially offset by \$1,839 of lower NOI from suppressing occupancy to facilitate longer-term upgrade plans.

INTEREST EXPENSE

Interest expense for the three months ended March 31, 2025 and 2024, is as follows:

	THREE MONTHS ENDED		CHANGE	
	MARCH 31, 2025	MARCH 31, 2024	\$	%
Interest on debt:				
Mortgages payable	\$5,254	\$941	\$4,313	458.3%
Construction loans payable	4,235	5,154	(919)	(17.8)
Unsecured revolving operating facility	1,028	862	166	19.3
Senior unsecured debentures	23,531	18,664	4,867	26.1
Unsecured term loans	6,953	6,994	(41)	(0.6)
Interest on lease liabilities	236	772	(536)	(69.4)
Amortization, premium on debt	—	(87)	87	(100.0)
Amortization, net financing costs	1,013	731	282	38.6
Distributions on Exchangeable LP Units ⁽¹⁾	5,314	5,314	—	—
	\$47,564	\$39,345	\$8,219	20.9%
Interest capitalized to qualifying investment properties and residential inventory	(16,880)	(15,914)	(966)	(6.1)
Interest expense, GAAP basis	\$30,684	\$23,431	\$7,253	31.0%

(1) The distributions declared on Exchangeable LP Units are recognized as interest expense as Allied is an open-end trust.

For the three months ended March 31, 2025, interest expense increased by \$7,253 or 31.0% from the comparable period. Of this increase, \$3,743 is due to the incremental debt assumed through the acquisition of 400 West Georgia and Adelaide & Duncan, \$3,459 is due to higher senior unsecured debenture interest from the issuance of Series J debentures in September 2024 and \$1,788 is due to higher mortgage interest from the new mortgages placed in the fourth quarter of 2024, partially offset by higher capitalized interest of \$966 and lower interest on lease liabilities of \$536 due to a disposition in 2024.

For the three months ended March 31, 2025, capitalized interest increased by \$966 or 6.1% from the comparable period. Of this increase, \$1,964 is due to a higher weighted average interest rate and \$959 is due to higher capitalization from the acquisition of an incremental 50% undivided interest in Adelaide & Duncan in 2024 (a portion of which is under development), partially offset by \$1,703 of lower capitalized interest from the completion of development projects.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the three months ended March 31, 2025 and 2024, are as follows:

	THREE MONTHS ENDED		CHANGE	
	MARCH 31, 2025	MARCH 31, 2024	\$	%
Salaries and benefits ⁽¹⁾	\$5,214	\$5,155	\$59	1.1%
Professional and trustees fees	2,049	2,350	(301)	(12.8)
Office and general expenses	1,367	1,427	(60)	(4.2)
	\$8,630	\$8,932	\$(302)	(3.4)%
Capitalized to qualifying investment properties	(1,924)	(2,434)	510	21.0
Total general and administrative expenses, GAAP basis	\$6,706	\$6,498	\$208	3.2%

(1) For the three months ended March 31, 2025 salaries and benefits expenses includes a fair value expense of \$423 (March 31, 2024 - recovery of \$390) 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 March 31, 2025, general and administrative expenses increased by \$208 or 3.2% from the comparable period. This was primarily due to the change in the fair value adjustment of \$813 on unit-based compensation plans, partially offset by lower capitalization to qualifying investment properties of \$510 as development and upgrade activities were completed. 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.

INTEREST INCOME

Interest income for the three months ended March 31, 2025, and 2024, are as follows:

	THREE MONTHS ENDED		CHANGE	
	MARCH 31, 2025	MARCH 31, 2024	\$	%
Interest on loans receivable	\$8,715	\$11,907	\$(3,192)	(26.8)%
Guarantee fees	449	944	(495)	(52.4)
Interest on cash, cash equivalents and deposit	931	1,908	(977)	(51.2)
Interest income, GAAP basis	\$10,095	\$14,759	\$(4,664)	(31.6)%

For the three months ended March 31, 2025, interest income decreased by \$4,664 or 31.6% from the comparable period primarily due to \$3,192 of lower interest income earned on loans receivable of which \$5,309 is due to the full settlement of the 400 West Georgia and Adelaide & Duncan loans receivable in 2024, partially offset by \$2,117 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 March 31, 2025, FFO per unit excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation totalled \$0.512. This is a decrease of \$0.066 or 11.4% over the comparable period in the prior year. The decrease was primarily due to higher interest expense of \$7,253 and lower interest income of \$4,664, partially offset by \$2,603 of higher net operating income.

To ensure sufficient cash is retained to meet capital improvement and leasing objectives, Allied strives to maintain an appropriate FFO payout 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 three months ended March 31, 2025, the FFO payout ratio excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation was 87.9%.

AFFO AND 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 March 31, 2025, AFFO per unit excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation totalled \$0.467. This represents a decrease of \$0.070 or 13.0% over the comparable period in the prior year. The decrease was primarily due to the changes in FFO discussed above, as well as higher regular leasing expenditures of \$866 and higher maintenance capital expenditures of \$248, partially offset by lower amortization of straight-line rent of \$466.

To ensure sufficient cash is retained to meet capital improvement and leasing objectives, Allied strives to maintain an appropriate AFFO payout 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 three months ended March 31, 2025, the AFFO payout ratio excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation was 96.4%.

RECONCILIATION OF FFO AND AFFO

The following tables reconcile Allied's net loss and comprehensive loss to FFO, FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation, AFFO, and AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation, which are on a non-GAAP basis, for the three months ended March 31, 2025, and March 31, 2024, as defined on page 17.

	THREE MONTHS ENDED		
	MARCH 31, 2025	MARCH 31, 2024	CHANGE
Net loss and comprehensive loss	\$(107,660)	\$(18,763)	\$(88,897)
Adjustment to fair value of investment properties and investment properties held for sale	164,099	119,192	44,907
Adjustment to fair value of Exchangeable LP Units	(8,975)	(29,641)	20,666
Adjustment to fair value of derivative instruments	6,095	(7,148)	13,243
Incremental leasing costs	2,601	2,711	(110)
Amortization of improvement allowances	9,510	9,393	117
Amortization of property, plant and equipment ⁽¹⁾	100	100	—
Distributions on Exchangeable LP Units	5,314	5,314	—
Adjustments relating to joint venture:			
Adjustment to fair value on investment properties	—	(188)	188
Amortization of improvement allowances	—	179	(179)
FFO	\$71,084	\$81,149	\$(10,065)
Condominium marketing costs	8	35	(27)
Financing prepayment costs	—	—	—
Mark-to-market adjustment on unit-based compensation	423	(390)	813
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$71,515	\$80,794	\$(9,279)
FFO	\$71,084	\$81,149	\$(10,065)
Amortization of straight-line rent	(987)	(1,453)	466
Regular leasing expenditures ⁽²⁾	(2,453)	(1,587)	(866)

THREE MONTHS ENDED

	MARCH 31, 2025	MARCH 31, 2024	CHANGE
Regular and recoverable maintenance capital expenditures	(998)	(750)	(248)
Incremental leasing costs (related to regular leasing expenditures)	(1,821)	(1,898)	77
Adjustment relating to joint venture:			
Amortization of straight-line rent	—	(45)	45
Regular leasing expenditures	—	(7)	7
AFFO	\$64,825	\$75,409	\$(10,584)
Condominium marketing costs	8	35	(27)
Financing prepayment costs	—	—	—
Mark-to-market adjustment on unit-based compensation	423	(390)	813
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$65,256	\$75,054	\$(9,798)
Weighted average number of units⁽³⁾			
Basic and diluted	139,765,128	139,765,128	—
Per unit - basic and diluted			
FFO	\$0.509	\$0.581	\$(0.072)
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$0.512	\$0.578	\$(0.066)
AFFO	\$0.464	\$0.540	\$(0.076)
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$0.467	\$0.537	\$(0.070)
Payout Ratio			
FFO	88.5%	77.5%	11.0%
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	87.9%	77.8%	10.1%
AFFO	97.0%	83.4%	13.6%
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	96.4%	83.8%	12.6%

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

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

(3) The weighted average number of units includes Units and Exchangeable LP Units.

CAPITAL EXPENDITURES

Our portfolio requires ongoing maintenance capital expenditures and leasing expenditures.

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

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

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

	THREE MONTHS ENDED	
	MARCH 31, 2025	MARCH 31, 2024
Revenue-enhancing capital and development costs	\$50,898	\$95,517
Regular and recoverable maintenance capital expenditures	998	750
Total capital expenditures	\$51,896	\$96,267
Revenue-enhancing and development leasing expenditures	\$9,681	\$22,470
Regular leasing expenditures	2,453	1,587
Total improvement allowances and leasing commissions	\$12,134	\$24,057

ADJUSTED EBITDA

The following table reconciles Allied's net loss and comprehensive loss to Adjusted EBITDA, a non-GAAP measure, for the three months ended March 31, 2025, and March 31, 2024, as defined on page 17:

	THREE MONTHS ENDED	
	MARCH 31, 2025	MARCH 31, 2024
Net loss and comprehensive loss for the period	\$(107,660)	\$(18,763)
Interest expense	30,684	23,431
Amortization of other assets	373	437
Amortization of improvement allowances	9,510	9,572
Fair value loss on investment properties and investment properties held for sale ⁽¹⁾	164,099	119,004
Fair value gain on Exchangeable LP Units	(8,975)	(29,641)
Fair value loss (gain) on derivative instruments	6,095	(7,148)
Mark-to-market adjustment on unit-based compensation	423	(389)
Adjusted EBITDA	\$94,549	\$96,503

(1) Includes Allied's proportionate share of the equity accounted investment's fair value gain on investment properties of \$nil for the three months ended March 31, 2025 (March 31, 2024 - \$188).

Section III

–Leasing

Allied strives to maintain high levels of occupancy and leased area. At March 31, 2025, Allied’s rental portfolio was 86.9% leased.

STATUS

Leasing status for the rental portfolio as at March 31, 2025, is summarized below:

	GLA	AS A % OF TOTAL GLA
Leased area (occupied & committed) - December 31, 2024 ⁽¹⁾	12,478,526	87.2%
Vacancy committed for future leases	(173,988)	
Occupancy - December 31, 2024 ⁽¹⁾	12,304,538	85.9%
Previously committed vacant space now occupied	122,570	
New leases and expansions on vacant space	47,031	
New vacancies during the period	(184,734)	
Suite additions, remeasurements and removals	307	
Occupancy before transfers from/(to) PUD and investment properties held for sale	12,289,712	85.8%
Occupancy related to transfers from/(to) PUD and investment properties held for sale	6,010	
Occupancy - March 31, 2025 ⁽¹⁾	12,295,722	85.9%
Vacancy committed for future leases	140,594	
Leased area (occupied & committed) - March 31, 2025 ⁽¹⁾	12,436,316	86.9%

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

Of the 14,314,342 square feet total GLA in Allied's rental portfolio, 12,295,722 square feet were occupied on March 31, 2025. Another 140,594 square feet were subject to contractual lease commitments with users whose leases commence subsequent to March 31, 2025, bringing the leased area to 12,436,316 square feet, which represents 86.9% of Allied's total rental portfolio GLA.

The table below outlines the timing of the contractual lease commitments:

	Q2 2025	Q3 2025	Q4 2025	Q1 2026	THEREAFTER	TOTAL
Fixturing Commencement (Occupancy)						
Lease commitments - GLA	94,956	39,514	6,124	—	—	140,594
% of lease commitments	67.5%	28.1%	4.4%	—%	—%	100.0%
Rent Commencement (Economic Occupancy)						
Lease commitments - GLA	39,535	10,231	28,624	14,665	47,539	140,594
% of lease commitments	28.1%	7.3%	20.4%	10.4%	33.8%	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, operating costs and realty taxes were being capitalized prior to occupancy (in accordance with IFRS Accounting Standards), capitalization ends on occupancy. During occupancy, interest, operating costs and realty taxes are expensed and rental revenue is recognized.

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.

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

	MARCH 31, 2025	DECEMBER 31, 2024	SEPTEMBER 30, 2024	JUNE 30, 2024
Toronto	337,089	373,436	403,547	483,890
Montréal	419,148	398,618	385,676	207,493
Calgary	2,927	23,299	19,805	20,967
Vancouver	46,643	19,754	34,787	28,356
Total square feet	805,807	815,107	843,815	740,706
% of Total GLA	5.6%	5.7%	5.8%	5.0%

USER RETENTION

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.

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 its 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 ended March 31, 2025, Allied leased 75.1% of the expiring GLA which is summarized in the following table:

MATURITIES DURING THE PERIOD	THREE MONTHS ENDED MARCH 31, 2025		
	LEASABLE SF	LEASED SF BY MARCH 31	% LEASED BY MARCH 31
Leased in prior year ⁽¹⁾	159,603	159,603	100%
Leased in current year	251,499	140,656	55.9%
Relocations within Allied's portfolio	—	8,392	—%
Retention Rate	411,102	308,651	75.1%

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

ACTIVITY

Leasing activity in connection with the rental portfolio for the three months ended March 31, 2025, is summarized in the following table:

	LEASABLE SF	LEASED SF BY MARCH 31	% LEASED BY MARCH 31	UNLEASED SF AT MARCH 31
Total GLA as at December 31, 2024	14,316,773			
Leased area as at December 31, 2024	12,478,526			
Unleased area as at December 31, 2024	1,838,247			
Area expiring on December 31, 2024, and vacant on January 1, 2025	122,992			
Unleased area on January 1, 2025 ⁽¹⁾	1,961,239	129,912	6.6%	1,831,327
Maturities during the period ended March 31, 2025 ⁽²⁾	251,499	140,656	55.9%	110,843
Maturities in remainder of 2025	1,104,506	95,866	8.7%	
Maturities in future years		40,637		
Total	3,317,244	407,071		1,942,170

(1) The unleased area on January 1, 2025, including re-measurement, consists of Allied's rental properties owned as at March 31, 2025.

(2) Some maturities occurred on March 31, 2025, and are included in Allied's leased area.

The leasing activity in the rental portfolio for the three months ended March 31, 2025, is summarized in the following table:

	THREE MONTHS ENDED MARCH 31, 2025		
	NEW LEASES	RENEWALS	TOTAL
Tours			280
Net leased square feet	145,971	261,100	407,071
Number of transactions	45	70	115
Lease term (in years)	6.3	2.6	3.9

The rental rates achieved for leases that were renewed in the rental portfolio for the three months ended March 31, 2025, are summarized in the following table:

LEASING SPREAD ON RENEWALS	THREE MONTHS ENDED MARCH 31, 2025			
	EXPIRING RATE	RENEWAL RATE	SPREAD	SQUARE FEET
Ending-to-Starting Base Rent				
Total Portfolio	\$19.86	\$19.80	(0.3)%	261,100
Average-to-Average Base Rent				
Total Portfolio	\$18.96	\$20.16	6.3%	261,100

The following table summarizes the renewals which were above, at, or below the maturing rate for the three months ended March 31, 2025:

LEASE RENEWAL RATE	THREE MONTHS ENDED MARCH 31, 2025		
	ABOVE IN-PLACE RENTS	AT IN-PLACE RENTS	BELOW IN-PLACE RENTS
% of total leased SF	35.1%	49.0%	15.9%
Maturing leases - weighted average rent	\$20.81	\$17.37	\$25.43
Renewing leases - weighted average rent	\$21.71	\$17.37	\$23.07

USER PROFILE

Allied's user-mix on the basis of percentage of rental revenue for the three months ended March 31, 2025, is summarized in the following table:

CATEGORY	% OF RENTAL REVENUE MARCH 31, 2025
Business services and professional	39.0%
Telecommunications and information technology	16.8
Media and entertainment	13.2
Retail	11.0
Financial services	6.2
Government	3.6
Educational and institutional	3.6
Life sciences	3.5
Parking and other	3.1
	100.0%

Information on the top-10 users by rental revenue for the three months ended March 31, 2025, is summarized in the following table:

USER	% OF RENTAL REVENUE	WEIGHTED AVERAGE REMAINING LEASE TERM (YEARS)	% OF TOTAL RENTAL GLA	CREDIT RATING DBRS/S&P/MOODY'S
Google Canada Corporation ⁽¹⁾	3.0%	7.3	3.3%	-/AA+/Aa2
Ubisoft Divertissements Inc.	3.0	8.0	4.2	Not Rated
Deloitte Management Services LP	2.9	10.5	1.4	Not Rated
Shopify Inc.	2.7	9.2	1.9	Not Rated
Northeastern University	2.1	10.3	1.0	-/-/A1
TMG MacManus Canada Inc.	1.7	5.7	1.6	Not Rated
Morgan Stanley Services Canada Corp.	1.6	5.5	1.6	AH/A-/A1
Societe Quebecoise des Infrastructures	1.6	3.3	1.7	AAL/AA-/Aa2
Thomson Reuters Canada Limited	1.4	8.3	1.0	BBBH/BBB+/Baa1
Unity Technologies Canada Company	1.2	5.8	1.1	Not Rated
	21.2%	7.3	18.8%	

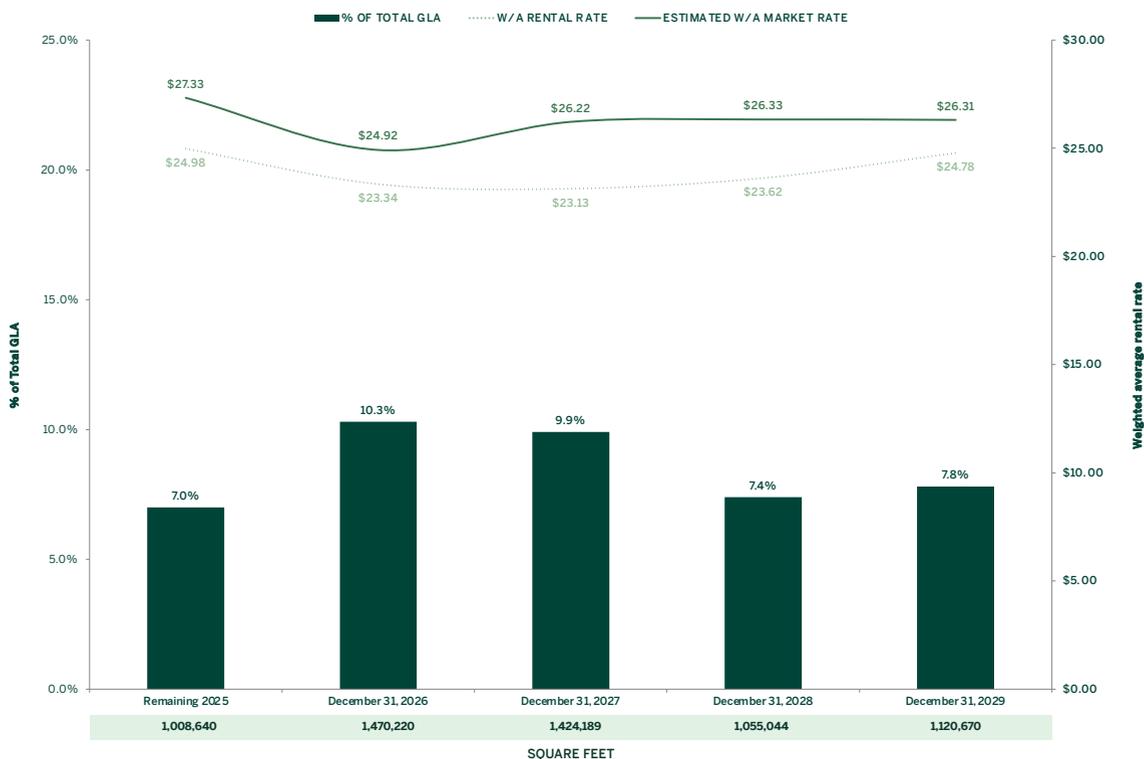
(1) The credit rating for this user is for the parent company.

LEASE MATURITY

As at March 31, 2025, 86.9% 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 third-party information and deal activity in the market. 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 March 31, 2025.

TOTAL RENTAL PORTFOLIO	SQUARE FEET	% OF TOTAL GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
Remaining 2025	1,008,640	7.0%	\$24.98	\$27.33
December 31, 2026	1,470,220	10.3%	\$23.34	\$24.92
December 31, 2027	1,424,189	9.9%	\$23.13	\$26.22
December 31, 2028	1,055,044	7.4%	\$23.62	\$26.33
December 31, 2029	1,120,670	7.8%	\$24.78	\$26.31



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
Remaining 2025	204,367	3.4%	\$17.45	\$20.41
December 31, 2026	554,757	9.3%	\$17.68	\$19.18
December 31, 2027	658,349	11.0%	\$16.73	\$22.50
December 31, 2028	373,681	6.3%	\$18.43	\$19.03
December 31, 2029	420,689	7.0%	\$20.04	\$20.05

TORONTO & KITCHENER	SQUARE FEET	% OF SEGMENT GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
Remaining 2025	625,683	10.6%	\$27.29	\$30.87
December 31, 2026	501,913	8.5%	\$25.84	\$28.09
December 31, 2027	521,757	8.8%	\$31.22	\$32.52
December 31, 2028	391,647	6.6%	\$30.43	\$35.18
December 31, 2029	484,913	8.2%	\$30.77	\$33.60

CALGARY	SQUARE FEET	% OF SEGMENT GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
Remaining 2025	120,213	10.2%	\$20.70	\$15.11
December 31, 2026	173,253	14.7%	\$13.60	\$12.78
December 31, 2027	135,099	11.5%	\$12.57	\$11.70
December 31, 2028	185,860	15.8%	\$9.95	\$13.64
December 31, 2029	114,350	9.7%	\$8.80	\$10.94

VANCOUVER	SQUARE FEET	% OF SEGMENT GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
Remaining 2025	58,377	4.7%	\$35.32	\$38.88
December 31, 2026	240,297	19.4%	\$38.20	\$40.28
December 31, 2027	108,984	8.8%	\$36.19	\$36.51
December 31, 2028	103,856	8.4%	\$41.13	\$41.94
December 31, 2029	100,718	8.1%	\$33.83	\$34.75

Section IV

–Historical Performance

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

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Rental revenue ⁽¹⁾⁽²⁾	\$150,636	\$155,120	\$146,593	\$146,750	\$143,577	\$150,898	\$138,455	\$136,137
Property operating costs ⁽¹⁾⁽²⁾	(69,401)	(70,737)	(63,364)	(64,359)	(65,106)	(69,029)	(58,558)	(58,037)
Operating income ⁽¹⁾⁽²⁾	\$81,235	\$84,383	\$83,229	\$82,391	\$78,471	\$81,869	\$79,897	\$78,100
Net (loss) income and comprehensive (loss) income ⁽¹⁾	\$(107,660)	\$(257,652)	\$(94,177)	\$28,062	\$(18,763)	\$(499,340)	\$(33,958)	\$126,265
per unit (basic and diluted) ⁽¹⁾	\$(0.77)	\$(1.84)	\$(0.67)	\$0.20	\$(0.13)	\$(3.57)	\$(0.24)	\$0.90
Net (loss) income attributable to Unitholders ⁽¹⁾	\$(107,660)	\$(257,652)	\$(94,177)	\$28,062	\$(18,763)	\$(499,340)	\$(33,958)	\$124,032
per unit (basic and diluted) ⁽¹⁾	\$(0.77)	\$(1.84)	\$(0.67)	\$0.20	\$(0.13)	\$(3.57)	\$(0.24)	\$0.89
Net (loss) income from continuing operations ⁽¹⁾⁽²⁾	\$(107,660)	\$(257,652)	\$(94,177)	\$28,062	\$(18,763)	\$(499,340)	\$(25,746)	\$11,081
per unit (basic and diluted) ⁽¹⁾⁽²⁾	\$(0.77)	\$(1.84)	\$(0.67)	\$0.20	\$(0.13)	\$(3.57)	\$(0.18)	\$0.08
Net (loss) income from continuing operations attributable to Unitholders ⁽¹⁾⁽²⁾	\$(107,660)	\$(257,652)	\$(94,177)	\$28,062	\$(18,763)	\$(499,340)	\$(25,746)	\$8,848
per unit (basic and diluted) ⁽¹⁾⁽²⁾	\$(0.77)	\$(1.84)	\$(0.67)	\$0.20	\$(0.13)	\$(3.57)	\$(0.18)	\$0.06
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	\$62,894	\$62,895	\$62,894	\$62,894	\$62,895	\$62,895	\$62,894
FFO ⁽⁵⁾	\$71,084	\$72,395	\$77,645	\$72,089	\$81,149	\$85,460	\$83,719	\$82,224
FFO per unit (diluted) ⁽⁵⁾	\$0.509	\$0.518	\$0.556	\$0.516	\$0.581	\$0.611	\$0.599	\$0.588
FFO payout ratio ⁽⁵⁾	88.5%	86.9%	81.0%	87.2%	77.5%	73.6%	75.1%	76.5%
All amounts below are excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation ⁽⁶⁾								
FFO ⁽⁵⁾	\$71,515	\$74,747	\$74,782	\$73,483	\$80,794	\$85,765	\$83,556	\$82,216
FFO per unit (diluted) ⁽⁵⁾	\$0.512	\$0.535	\$0.535	\$0.526	\$0.578	\$0.614	\$0.598	\$0.588
FFO payout ratio ⁽⁵⁾	87.9%	84.1%	84.1%	85.6%	77.8%	73.3%	75.3%	76.5%
AFFO ⁽⁵⁾	\$65,256	\$66,626	\$65,142	\$66,612	\$75,054	\$78,611	\$76,174	\$74,958
AFFO per unit (diluted) ⁽⁵⁾	\$0.467	\$0.477	\$0.466	\$0.477	\$0.537	\$0.562	\$0.545	\$0.536
AFFO payout ratio ⁽⁵⁾	96.4%	94.4%	96.6%	94.4%	83.8%	80.0%	82.6%	83.9%
NAV per unit ⁽⁷⁾	\$39.99	\$41.25	\$43.76	\$44.43	\$44.84	\$45.60	\$49.83	\$50.80
Net debt as a multiple of annualized adjusted EBITDA ⁽⁵⁾	11.6x	10.8x	10.7x	10.9x	9.4x	8.2x	7.9x	10.5x
Total indebtedness ratio ⁽⁵⁾	42.9%	41.7%	39.7%	39.1%	35.9%	34.7%	34.2%	36.9%
Total rental GLA	14,314	14,317	14,504	14,869	14,636	14,954	14,759	14,479
Leased rental GLA	12,436	12,479	12,642	12,947	12,728	13,048	12,934	12,690
Leased area %	86.9%	87.2%	87.2%	87.1%	87.0%	87.3%	87.6%	87.6%

- (1) *This measure is presented on a GAAP basis.*
- (2) *Excludes the results of the Urban Data Centre (“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 UDC segment which was classified as a discontinued operation in Q4 2022 until its disposition in August 2023.*
- (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) *Net asset value per unit (“NAV per unit”) is calculated as total equity plus the value of class B limited partnership units of Allied Properties Exchangeable Limited Partnership (“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 contains the unaudited condensed consolidated balance sheets as at March 31, 2025, and December 31, 2024. The GAAP basis and the proportionate basis, which is a non-GAAP measure, is the same for these periods.

	MARCH 31, 2025	DECEMBER 31, 2024
Assets		
Non-current assets		
Investment properties	\$9,322,162	\$9,448,363
Residential inventory	231,013	221,004
Loans and notes receivable	203,084	191,045
Other assets	32,068	36,642
	\$9,788,327	\$9,897,054
Current assets		
Cash and cash equivalents	14,924	73,918
Loans and notes receivable	243,728	235,532
Accounts receivable, prepaid expenses and deposits	152,760	137,645
Investment properties held for sale	277,490	259,830
	\$688,902	\$706,925
Total assets	\$10,477,229	\$10,603,979
Liabilities		
Non-current liabilities		
Debt	\$3,101,045	\$3,418,246
Lease liabilities	8,375	8,384
Other liabilities	53,259	52,297
	\$3,162,679	\$3,478,927
Current liabilities		
Exchangeable LP Units	193,552	202,527
Debt	1,374,724	985,129
Accounts payable and other liabilities	342,912	367,731
Lease liability held for sale	7,020	7,021
	\$1,918,208	\$1,562,408
Total liabilities	\$5,080,887	\$5,041,335
Equity		
Unitholders' equity	\$5,396,342	\$5,562,644
Total equity	\$5,396,342	\$5,562,644
Total liabilities and equity	\$10,477,229	\$10,603,979

As at March 31, 2025, Allied's portfolio of 208 investment properties consists of 186 rental properties (eight of which are partially under development), seven development properties, and 15 investment properties held for sale. Allied's portfolio of investment properties and investment properties held for sale has a fair value of \$9,599,652 as at March 31, 2025.

Changes to the carrying amounts of investment properties and investment properties held for sale are summarized in the following table:

	THREE MONTHS ENDED MARCH 31, 2025		
	RENTAL PROPERTIES	PROPERTIES UNDER DEVELOPMENT	TOTAL
Balance, beginning of period	\$8,861,454	\$846,739	\$9,708,193
Additions:			
Improvement allowances	7,625	1,105	8,730
Leasing commissions	2,825	579	3,404
Capital expenditures	11,301	40,595	51,896
Transfers from PUD	122,758	(122,758)	—
Transfers to PUD	(6,241)	6,241	—
Transfers from (to) other assets	51	—	51
Amortization of straight-line rent and improvement allowances	(8,432)	(91)	(8,523)
Fair value loss on investment properties and investment properties held for sale	(131,239)	(32,860)	(164,099)
Balance, end of period	\$8,860,102	\$739,550	\$9,599,652
Investment properties	\$8,582,612	\$739,550	\$9,322,162
Investment properties held for sale	277,490	—	277,490
Investment properties and investment properties held for sale	\$8,860,102	\$739,550	\$9,599,652

As at March 31, 2025, Allied had 15 investment properties held for sale. As at December 31, 2024, Allied had 14 properties classified as investment properties held for sale totalling \$259,830. The increase of \$17,660 for the three months ended March 31, 2025, is mainly due to the addition of one property as an investment property held for sale.

For the three months ended March 31, 2025, Allied recognized a fair value loss on investment properties and investment properties held for sale of \$164,099. This was mainly due to the expansion of capitalization rates in Vancouver, adjustments to cash flow assumptions and cost increases in the development portfolio.

For the three months ended March 31, 2025, Allied capitalized \$16,880 of borrowing costs to its capital expenditures on a proportionate basis, \$11,835 of which related to development activity, \$2,732 to upgrade activity in the rental portfolio and \$2,313 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 March 31, 2025, 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 4.94%, detailed in the table below:

OVERALL CAPITALIZATION RATE	MARCH 31, 2025			DECEMBER 31, 2024		
	RANGE %	WEIGHTED AVERAGE %	FAIR VALUE \$	RANGE %	WEIGHTED AVERAGE %	FAIR VALUE \$
Montréal	4.75% - 7.50%	5.30%	\$2,337,097	4.75% - 7.50%	5.30%	\$2,333,875
Toronto & Kitchener	4.00% - 6.00%	4.72%	4,620,661	4.00% - 6.00%	4.72%	4,632,053
Calgary	6.75% - 7.75%	7.33%	172,884	6.75% - 7.75%	7.33%	183,632
Vancouver	4.25% - 5.50%	4.56%	1,104,890	4.00% - 5.25%	4.32%	1,170,000
Urban workspace ⁽¹⁾	4.00% - 7.75%	4.94%	\$8,235,532	4.00% - 7.75%	4.90%	\$8,319,560

(1) Urban workspace excludes the rental-residential portfolio of \$347,080 and the properties under development of \$739,550 as at March 31, 2025 (December 31, 2024 - \$282,064 and \$846,739, 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 three months ended March 31, 2025, Allied did not acquire or dispose of any investment properties.

On March 25, 2025, Allied entered into an agreement to sell the Boardwalk-Revillion Building in Edmonton. The sale is expected to close in the second quarter of this year. In addition, Allied has two low-yielding, non-core properties under sale contract, one in Montréal and one in Vancouver.

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 11.2 million square feet of GLA, 6.0 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 1.3 million square feet currently in PUD and 9.8 million square feet of potential incremental density, totalling 11.1 million square feet as at March 31, 2025. Of the 9.8 million square feet of potential incremental density, 5.6 million square feet is reflected in the appraised fair values, mainly on properties where zoning approvals are in place. The remaining 4.2 million square feet is not reflected in the appraised fair values.

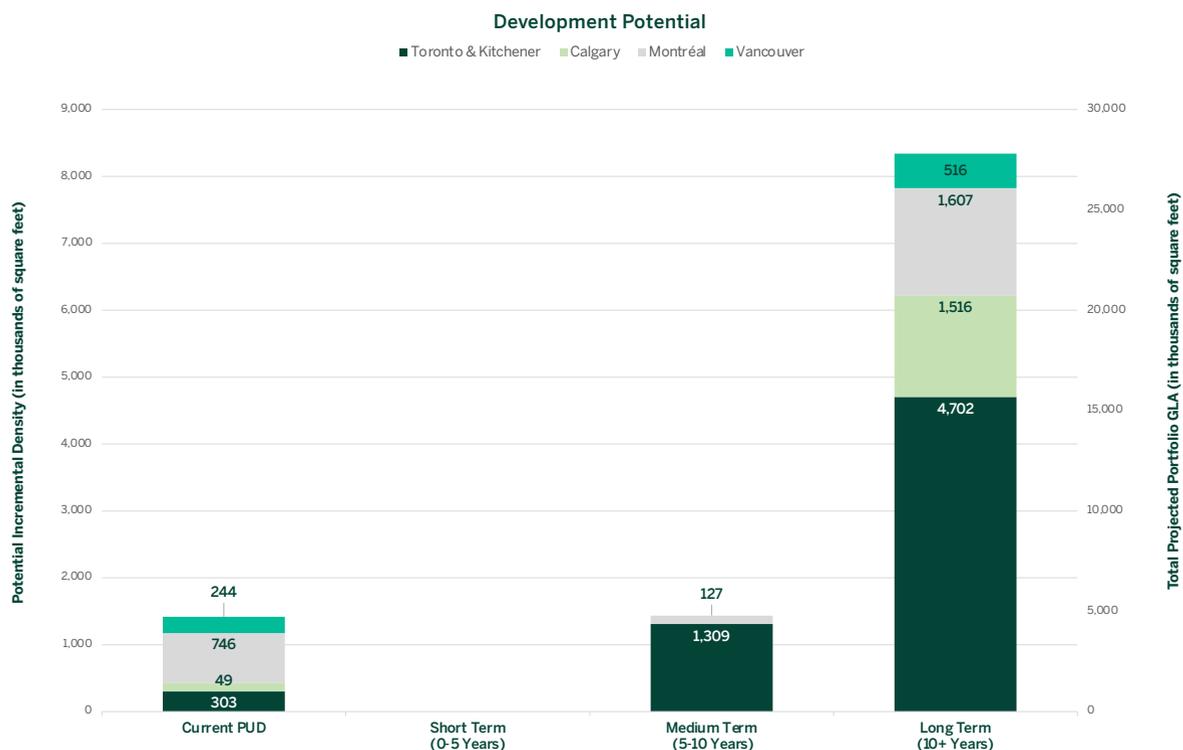
The table below summarizes the potential incremental density by city:

CITY	CURRENT RENTAL ⁽²⁾	CURRENT PUD (ESTIMATED ON COMPLETION)	POTENTIAL DENSITY FROM ZONING COMPLETED OR IN PROGRESS	ADDITIONAL POTENTIAL DENSITY	TOTAL POTENTIAL GLA
Toronto ⁽¹⁾	5,214,385	302,806	3,289,987	2,387,273	11,194,451
Kitchener	709,197	—	—	333,184	1,042,381
Montréal	5,977,181	746,464	1,068,557	666,120	8,458,322
Calgary	1,175,943	48,502	—	1,515,925	2,740,370
Vancouver	1,237,636	243,865	—	515,511	1,997,012
Total	14,314,342	1,341,637	4,358,544	5,418,013	25,432,536

(1) The GLA estimated on completion for properties under development in Toronto excludes 688,754 square feet of GLA at The Well, 152,775 square feet of GLA at the commercial component of Adelaide & Duncan and 214,138 square feet of residential GLA at Toronto House has been transferred to the rental portfolio.

(2) Excludes residential GLA.

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 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 March 31, 2025, the cost of the Properties Under Development was 8.6% of GBV (December 31, 2024 - 10.1%). 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 15 Properties Under Development, of which five are ground-up developments and 10 are redevelopments. Of the 15 properties under development, eight are partially in the rental portfolio.

The following table sets out the Properties Under Development as at March 31, 2025, as well as Management's estimates with respect to the financial outcome on completion. Estimated NOI from development completion is based on stabilized occupancy and, in the first year, its impact is moderated by the discontinuation of capitalized costs.

PROPERTY NAME	OWNERSHIP	TRANSFER TO RENTAL PORTFOLIO	ESTIMATED							ACTUAL
			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%	\$4,161	98%
Adelaide & Duncan, Toronto ⁽³⁾⁽⁴⁾⁽⁶⁾	100%	Q4 2023 to Q2 2025	149,229	3,546	288,000	21,000 - 23,000	480,014	4.4% - 4.8%	17,971	100%
108 East 5th Avenue, Vancouver ⁽¹⁾	50%	Q1 2026	102,000	—	—	4,350 - 4,600	108,884	4.0% - 4.2%	13,566	77%
KING Toronto, Toronto ⁽¹⁾⁽⁵⁾	50%	Q2 2026	40,000	60,000	—	5,000 - 6,000	173,250	2.9% - 3.7%	53,472	—%
365 Railway, Vancouver	100%	TBD	60,000	—	—	TBD	TBD	TBD	TBD	—%
Redevelopments	100%	Up to Q4 2026	855,629	94,900	—	18,700 - 22,425	443,996	4.2% - 5.1%	38,162	27%
Total			1,790,858	318,446	288,000	\$86,550 - \$99,275+				

- (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 March 31, 2025, 405 units or 92% have been pre-sold, subject to customary closing conditions. Management expects the condominium sales to close in the second quarter of 2026.
- (6) On April 1, 2024, and December 20, 2024, Allied purchased an incremental 45% and 5% undivided interest in Adelaide & 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
185 Spadina, Toronto	55,213	—
342 Water, Vancouver	18,434	3,206
375 Water, Vancouver ⁽¹⁾	56,262	3,963
1001 Boulevard Robert-Bourassa, Montréal ⁽¹⁾	266,375	21,217
RCA Building, Montréal ⁽¹⁾	166,144	35,233
3575 Saint Laurent, Montréal	165,419	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	855,629	94,900

(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 March 31, 2025, and December 31, 2024:

	MATURITY DATE	MARCH 31, 2025	DECEMBER 31, 2024
KING Toronto ⁽¹⁾	December 31, 2026	\$193,171	\$181,123
Breithaupt Phase III ⁽²⁾	N/A	9,913	9,913
150 West Georgia	December 9, 2025	229,998	221,281
Total loans receivable		\$433,082	\$412,317

(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 was repaid on April 28, 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 March 31, 2025 (December 31, 2024 - \$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 investment 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 March 31, 2025, 87.7% of investment properties were unencumbered.

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

DEBT

The following illustrates the calculation of debt (net of transaction costs) on a GAAP basis and net debt, a non-GAAP measure, as defined on page 17, as at March 31, 2025, and December 31, 2024. As at March 31, 2025, 98.3% of Allied's debt is at a fixed rate (December 31, 2024 - 94.3%).

	MARCH 31, 2025	DECEMBER 31, 2024
Mortgages payable	\$431,479	\$437,536
Construction loans payable	218,101	473,866
Unsecured revolving operating facility	85,602	—
Senior unsecured debentures	3,090,892	2,842,388
Unsecured term loans	649,695	649,585
Debt, GAAP basis	\$4,475,769	\$4,403,375
Less: cash, cash equivalents and deposit	90,516	152,518
Net debt	\$4,385,253	\$4,250,857

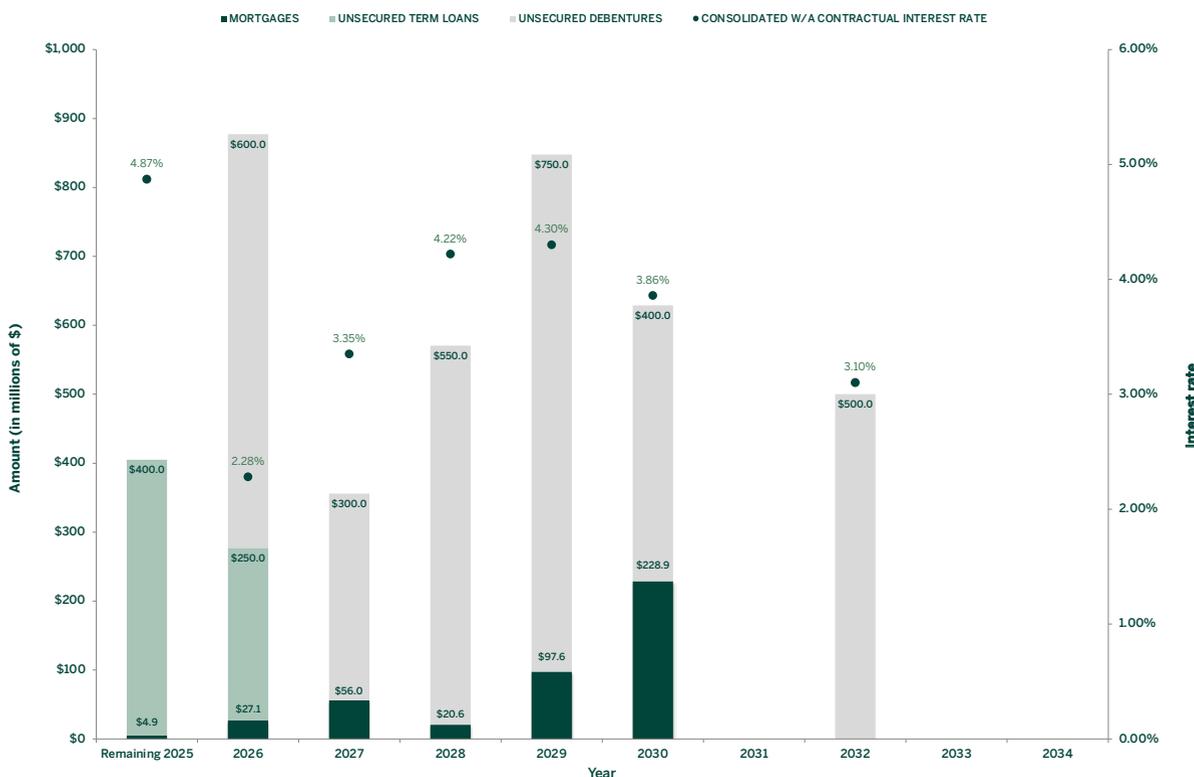
In 2024, Allied amended the benchmark rates in its debt and swap agreements from CDOR to CORRA including a credit spread adjustment (“Adjusted CORRA”), as applicable, due to the cessation of the publication of CDOR on June 28, 2024.

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 Adjusted CORRA-based interest payments for fixed interest payments at an interest rate of 3.223%. The swap was 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 all-in fixed interest rate for the variable-rate debt which this swap is applied to ranges from 4.577% to 4.927%.

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

	MORTGAGES PAYABLE	INTEREST RATE OF MATURING MORTGAGES	SENIOR UNSECURED DEBENTURES	INTEREST RATE	UNSECURED TERM LOANS	INTEREST RATE	TOTAL	CONSOLIDATED INTEREST RATE OF MATURING DEBT
Remaining 2025	\$4,864	—%	\$—	—%	\$400,000	4.87%	\$404,864	4.87%
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	750,000	4.24	—	—	847,637	4.30
2030	228,949	5.20	400,000	3.12	—	—	628,949	3.86
2031	—	—	—	—	—	—	—	—
2032	—	—	500,000	3.10	—	—	500,000	3.10
	\$435,195	4.87%	\$3,100,000	3.31%	\$650,000	4.34%	\$4,185,195	3.62%

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 March 31, 2025 (December 31, 2024 - 3.3 years):



The table below summarizes the weighted average effective interest rate as at March 31, 2025, and December 31, 2024:

	MARCH 31, 2025	DECEMBER 31, 2024
Mortgages payable	4.87%	4.81%
Senior unsecured debentures	3.31%	3.10%
Unsecured term loans	4.34%	4.34%
Unsecured revolving operating facility	4.93%	N/A
Total weighted average effective interest rate	3.66%	3.50%

MORTGAGES PAYABLE

Mortgages payable with a fixed rate have a weighted average contractual interest rate of 4.87% as at March 31, 2025 (December 31, 2024 - 4.81%). There were no variable rate mortgages payable as at March 31, 2025, and December 31, 2024. The weighted average term of the mortgage debt is 4.5 years (December 31, 2024 - 4.7 years). The mortgages are secured by a first registered charge over specific investment properties and first general assignments of leases, insurance and registered chattel mortgages.

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

	PRINCIPAL REPAYMENTS	BALANCE DUE AT MATURITY	MARCH 31, 2025	DECEMBER 31, 2024
Remaining 2025	\$4,864	\$—	\$4,864	
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	\$36,206	\$398,989	\$435,195	\$441,495
Net financing costs			(3,716)	(3,959)
			\$431,479	\$437,536

CONSTRUCTION LOANS PAYABLE

As at March 31, 2025, and December 31, 2024, Allied's obligations relating to construction loans are as follows:

	OWNERSHIP	FACILITY LIMIT ⁽²⁾	DATE OF MATURITY	CONTRACTUAL INTEREST RATE	STANDBY FEE AND LETTER OF CREDIT FEE	MARCH 31, 2025	DECEMBER 31, 2024
Adelaide & Duncan ⁽¹⁾	100%	\$295,000	August 11, 2025	Prime + 0.35% or Adjusted CORRA + 1.35%	0.25% and 1.00%	\$—	\$257,667
Breithaupt Phase III	50%	\$67,200	April 30, 2025	Prime + 0.25% or Adjusted CORRA + 1.45%	0.20% and 1.00%	57,572	57,572
KING Toronto	50%	\$226,299	July 31, 2026	Prime + 0.45% or Adjusted CORRA + 1.45%	0.25% and 1.00%	99,900	99,900
108 East 5th Avenue ⁽³⁾	50%	\$75,000	December 6, 2025	Prime + 0.35% or Adjusted CORRA + 1.35%	0.27% and 1.00%	60,629	58,727
						\$218,101	\$473,866

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

(2) The facility limit is as at Allied's ownership.

(3) The interest rate and the standby fee are subject to variability based on meeting two sustainability performance targets and sustainability minimums. 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.

On February 28, 2025, Allied fully repaid the construction lending facility for Adelaide & Duncan, with no financing prepayment cost.

On March 21, 2025, the Breithaupt Phase III joint arrangement extended the maturity date from March 31, 2025, to April 30, 2025. On April 28, 2025, Allied and Perimeter fully repaid the construction loan with proceeds from mortgage financing.

UNSECURED REVOLVING OPERATING FACILITY

As at March 31, 2025, and December 31, 2024, Allied's obligation under the unsecured revolving operating facility (the "Unsecured Facility") is as follows:

MARCH 31, 2025

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 Adjusted CORRA + 1.70% ⁽²⁾	0.34%	\$800,000	\$(85,602)	\$(11,475)	\$702,923

(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 for this facility are subject to certain conditions being met. On April 15, 2025, the interest rate decreased for the Unsecured Facility to prime + 0.45% or Adjusted CORRA + 1.45%.

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 Adjusted 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 for this facility are subject to certain conditions being met. On June 11, 2024, the spread, standby fee and letter of credit fee increased for the Unsecured Facility.

SENIOR UNSECURED DEBENTURES

As at March 31, 2025, and December 31, 2024, Allied's obligations under the senior unsecured debentures are as follows:

SERIES	CONTRACTUAL INTEREST RATE	DATE OF MATURITY	INTEREST PAYMENT DATE	MARCH 31, 2025	DECEMBER 31, 2024
Series C	3.636%	April 21, 2025	April 21 and October 21	\$—	\$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	250,000
Series K	4.808%	February 24, 2029	February 24 and August 24	450,000	—
Senior unsecured debentures, principal				\$3,100,000	\$2,850,000
Net financing costs				(9,108)	(7,612)
				\$3,090,892	\$2,842,388

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

On February 24, 2025, Allied issued \$450,000 of 4.808% Series K senior unsecured debentures (the “Series K Debentures”) on a private placement basis due February 24, 2029, with semi-annual interest payments due on August 24 and February 24 each year commencing on August 24, 2025. Debt financing costs of \$2,156 were incurred and recorded against the principal owing. The Series K Debentures were Allied's third green bond issuance. Proceeds from the Series K Debentures were used to repay the Adelaide & Duncan construction loan due August 11, 2025, and the remaining proceeds were used towards redeeming the \$200,000 aggregate principal amount of 3.636% Series C senior unsecured debentures due April 21, 2025 (the “Series C Debentures”). No prepayment costs were incurred with the repayment of the Adelaide & Duncan construction loan and the redemption of the Series C Debentures.

On April 7, 2025, Allied issued \$400,000 of senior unsecured debentures in two series on a private placement basis (the “Offering”). The Offering included (i) \$150 million Series L senior unsecured debentures that bear interest at CORRA plus 1.80% per annum (the “Series L Debentures”), due April 7, 2027, with quarterly interest payments payable in arrears due on January 7, April 7, July 7, and October 7 each year commencing on July 7, 2025, and (ii) \$250 million of 4.312% Series M senior unsecured debentures (the “Series M Debentures”) due on April 7, 2027, with semi-annual interest payments due on April 7 and October 7 each year commencing on October 7, 2025. Proceeds from the Offering were used to fully repay the \$400 million unsecured term loan maturing on October 22, 2025. No prepayment costs were incurred with the repayment of the unsecured term loan.

On April 7, 2025, Allied entered into a swap agreement to fix the floating-rate Series L Debentures at an all-in fixed interest rate of 4.258% for the term of the Series L Debentures.

UNSECURED TERM LOANS

As at March 31, 2025, and December 31, 2024, Allied’s obligations under the unsecured term loans are as follows:

	CONTRACTUAL INTEREST RATE ⁽¹⁾	DATE OF MATURITY	FREQUENCY OF INTEREST PAYMENT	MARCH 31, 2025	DECEMBER 31, 2024
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				(305)	(415)
				\$649,695	\$649,585

(1) This is the all-in fixed interest rate on swapped debt.

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

Allied can extend the maturity date on its \$250,000 unsecured term loan, which bears interest at Adjusted CORRA plus 140 basis points, through one-year extension options until January 14, 2031. Allied has a swap agreement until January 14, 2031. The all-in fixed interest rate as of March 31, 2025, is 3.496%.

Allied also had a swap agreement on its \$400,000 unsecured term loan, which bore interest at Adjusted CORRA plus 110 basis points, at an all-in fixed interest rate of 4.865%. On April 8, 2025, Allied fully repaid the \$400,000 unsecured term loan with no financing prepayment costs, and terminated the related swap with a cash payment of \$2,240.

CREDIT RATINGS

Allied's credit ratings as at March 31, 2025, 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.”

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.

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. 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	MARCH 31, 2025	DECEMBER 31, 2024
Indebtedness ratio	Below 60%	42.9%	41.7%
Secured indebtedness ratio	Below 45%	6.3%	8.7%
Debt service coverage ratio	Consolidated adjusted EBITDA to be more than 1.5 times debt service payments	2.2x	2.3x
Equity maintenance	At least \$1,250,000 plus 75% of future equity issuances (\$2,819,658)	\$5,396,342	\$5,562,644
Unencumbered property assets value ratio	Unencumbered property assets to be more than 1.4 times total unsecured debt	2.2x	2.3x
Distribution payout ratio	Maintain distributions below 100% of FFO for eight consecutive quarters	80.3%	79.1%

(1) Includes results from assets classified as held for sale.

The following outlines the covenants specific to the Unsecured Facility. The covenants are calculated, as required by this agreement, on a proportionate basis as defined on page 17.

COVENANT ⁽¹⁾	THRESHOLD	MARCH 31, 2025	DECEMBER 31, 2024
Equity maintenance	At least \$2,800,000 plus 75% of future equity issuances (\$2,800,000)	\$5,396,342	5,562,644
Restricted payment payout ratio	Maintain restricted payments below 100% of FFO for four consecutive quarters	85.4%	82.8%

(1) Includes results from 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	MARCH 31, 2025	DECEMBER 31, 2024
<i>Pro forma</i> interest coverage ratio	Maintain a 12-month rolling consolidated <i>pro forma</i> EBITDA of at least 1.65 times <i>pro forma</i> interest expense	2.1x	2.2x
<i>Pro forma</i> asset coverage test	Maintain net consolidated indebtedness below 65% of net aggregate assets on a <i>pro forma</i> basis	43.0%	41.9%
Equity maintenance	Maintain Unitholders' equity above \$300,000	\$5,396,342	\$5,562,644
<i>Pro forma</i> unencumbered net aggregate adjusted asset ratio	Maintain <i>pro forma</i> unencumbered net aggregate adjusted assets above 1.4 times consolidated unsecured indebtedness	2.4x	2.5x

(1) Includes results from assets classified as held for sale.

As at March 31, 2025, 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 AND EXCHANGEABLE LP UNITS (AUTHORIZED - UNLIMITED)

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

The following represents the number of Units issued and outstanding, and the related carrying value of equity, for the three months ended March 31, 2025, and the year ended December 31, 2024.

	NUMBER ISSUED AND OUTSTANDING	AMOUNT
Balance at January 1, 2024	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
Restricted Unit Plan (net of forfeitures)	—	(2,026)
Balance at March 31, 2025	127,955,983	\$4,543,170

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

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 (“Exchangeable LP Units”) of Allied Properties Exchangeable Limited Partnership (the “Partnership”). Allied owns 100% of the shares of the General Partner and 100% of the class A LP Units of the Partnership.

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

The following represents the number of Exchangeable LP Units issued and outstanding, and the related carrying value, for the three months ended March 31, 2025, and the year ended December 31, 2024.

	NUMBER ISSUED AND OUTSTANDING	AMOUNT
Balance at January 1, 2024	11,809,145	\$238,309
Fair value gain on Exchangeable LP Units	—	(35,782)
Balance at December 31, 2024	11,809,145	\$202,527
Fair value gain on Exchangeable LP Units	—	(8,975)
Balance at March 31, 2025	11,809,145	\$193,552

As at March 31, 2025, and March 31, 2024, the weighted average number of Units and Exchangeable LP Units for the purpose of calculating both basic and diluted income per unit was 127,955,983 and 11,809,145, respectively, totalling 139,765,128.

As at April 30, 2025, 127,955,983 Units and 1,710,698 options to purchase Units were issued and outstanding.

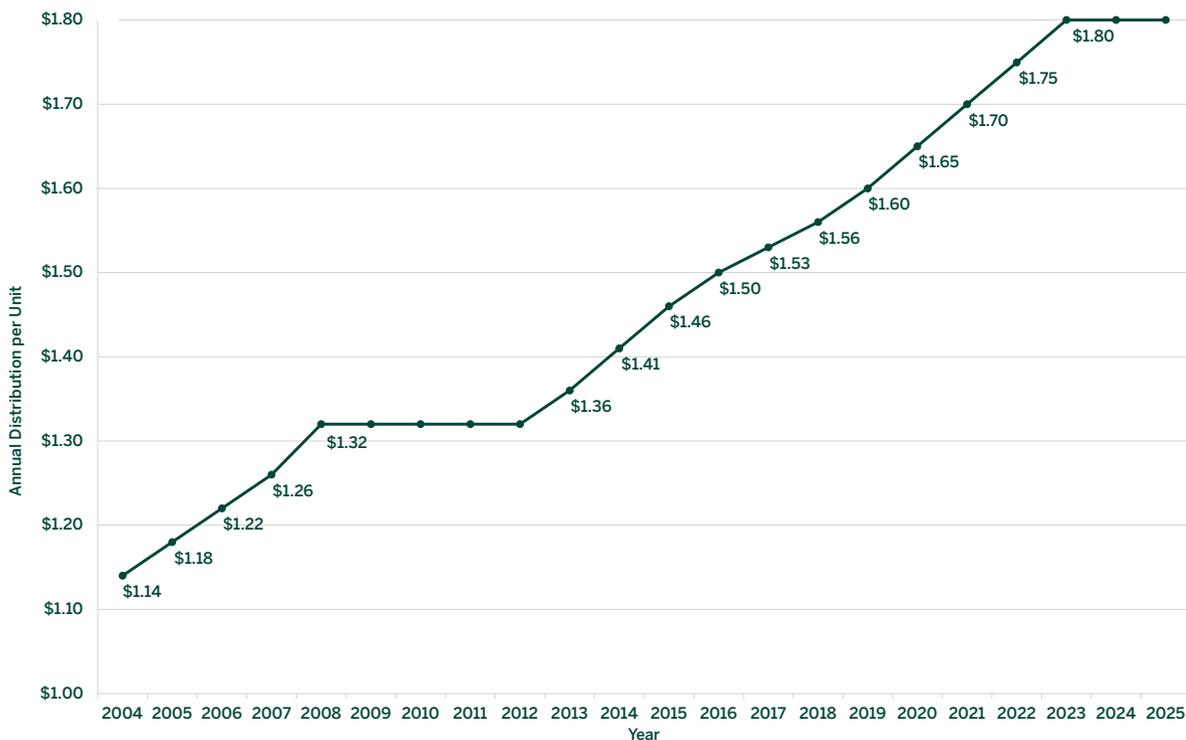
NORMAL COURSE ISSUER BID

On February 24, 2025, Allied received approval from the TSX for the renewal of its normal course issuer bid (“NCIB”), which entitles Allied to purchase up to 12,615,599 of its outstanding Units, representing approximately 10% of its public float as at February 12, 2025. The NCIB commenced February 26, 2025, and will expire on February 25, 2026, 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 and/or alternate trading systems in Canada at market prices prevailing at the time of purchase. Any Units that are repurchased will either be cancelled or delivered to participants under Allied’s Restricted Unit Plan or to employees pursuant to Allied’s employee programs.

During the three months ended March 31, 2025, Allied purchased 119,078 Units for \$2,026 at a weighted average price of \$17.02 for delivery to participants under Allied’s Restricted Unit Plan.

DISTRIBUTIONS

Since inception, Allied has been focused on increasing distributions to its Unitholders on a regular and prudent basis. The distribution increases are set out in the graph below:



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

On April 15, 2025, Allied declared a distribution for the month of April 2025 of \$0.15 per Unit, representing \$1.80 per Unit on an annualized basis to Unitholders of record as at April 30, 2025.

On April 15, 2025, the Partnership declared a distribution for the month of April 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 April 30, 2025, for which Choice Properties elected to receive a loan in lieu of the distribution.

SOURCES OF DISTRIBUTIONS

For the three months ended March 31, 2025, Allied declared \$62,894 in distributions (March 31, 2024 - \$62,894), including distributions to holders of the Exchangeable LP Units of \$5,314 (March 31, 2024 - \$5,314).

	THREE MONTHS ENDED	
	MARCH 31, 2025	MARCH 31, 2024
Distributions declared	\$62,894	\$62,894
Net loss and comprehensive loss	\$(107,660)	\$(18,763)
Cash provided by operating activities ⁽¹⁾	\$16,653	\$21,689
AFFO excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation ⁽²⁾	\$65,256	\$75,054
AFFO excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation payout ratio ⁽²⁾	96.4%	83.8%
Deficit of net loss over distributions declared	\$(170,554)	\$(81,657)
Deficit of cash flows provided by operating activities over distributions declared	\$(46,241)	\$(41,205)
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	\$2,362	\$12,160

(1) The cash flows provided by operating activities for the three months ended March 31, 2025, include other non-cash operating items related to properties under development and additions to residential inventory.

(2) 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 March 31, 2025, amounts to \$1.80 per Unit per annum (December 31, 2024 - \$1.80 per Unit per annum). See Note 15 of the unaudited condensed consolidated financial statements for the three months ended March 31, 2025.

Section VII

–Accounting Estimates and Assumptions

MATERIAL ACCOUNTING POLICY INFORMATION

Accounting policies and any respective changes are discussed in Allied’s unaudited condensed consolidated financial statements for the three months ended March 31, 2025, and the notes contained therein.

Section VIII

–Disclosure Controls and Internal Controls

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

No changes were made in the design of internal controls over financial reporting during the period ended March 31, 2025, 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.

For a detailed discussion of risk factors, refer to Allied's 2024 Annual Report, which can be found on Allied's website at www.alliedreit.com or SEDAR+ at www.sedarplus.ca, together with the updates to the risk factors discussed below.

OPERATING RISKS AND RISK MANAGEMENT

LEASE ROLL-OVER RISK

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

In evaluating lease roll-over risk, it is informative to determine Allied's sensitivity to a decline in occupancy. As at March 31, 2025, Allied had total GLA in the rental portfolio of 14,314,342 square feet, of which 86.9% is leased. The weighted average annual rental revenue is approximately \$48.45 per square foot, therefore for every full-year decline of 100 basis points in occupancy, Allied's annual rental revenue would decline by approximately \$6,025. The decline in rental revenue would be more pronounced if the decline in occupancy involved space leased above the average rental rate per square foot and less pronounced if the decline in occupancy involved space leased below the average rental rate per square foot.

FINANCIAL RISKS AND RISK MANAGEMENT

FINANCING AND INTEREST RATE RISK; ACCESS TO CAPITAL

Allied is subject to risk associated with debt financing. Allied's financing may include indebtedness with interest rates based on variable lending rates that will result in fluctuations in Allied's cost of borrowing. The availability of debt to re-finance existing and maturing loans and the cost of servicing such debt will influence Allied's success. In order to minimize risk associated with debt financing, Allied strives to re-finance maturing loans with long-term fixed-rate debt and to stagger the maturities over time. For Allied's current debt-maturity schedule, refer to page 61.

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 3.62%. The weighted average term of our debt (excluding construction loans and the Unsecured Facility) is 3.3 years. Refer to note 11(b) and (d) of the unaudited condensed consolidated financial statements for further details.

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

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

CREDIT RISK

Allied is subject to credit risk arising from the possibility that users may not be able to fulfill their lease obligations. Allied strives to mitigate this risk by maintaining a diversified user-mix and limiting exposure to any single user. Allied's exposure to its top-10 users is 21.2% 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 March 31, 2025, Allied had \$433,082 in loans receivable and \$13,730 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.

MORTGAGES

Approximately 58.7% 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.

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, tariffs and other trade protection measures, including any retaliation to such measures, and 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 users and the markets in which Allied operates and in turn could have an adverse effect on Allied.

Section X

–Property Table

**MARCH 31, 2025
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	55,760	—	55,760		4,288	51,472	92.3%
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	354,047	12,512	366,559	2.6%	56,521	310,038	84.6%
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		10,919	36,908	77.2%
460 King W	10,338	4,461	14,799		7,438	7,361	49.7%
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		3,440	2,495	42.0%
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		45,022	252,876	84.9%
579 Richmond W	26,818	—	26,818		—	26,818	100.0%

**MARCH 31, 2025
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⁾	403,880	5,935	409,815		—	409,815	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⁾	—	126,876	126,876		4,393	122,483	96.5%
The Well - Wellington Market ⁽¹⁾	—	11,861	11,861		1,725	10,136	85.5%
King West Central	1,703,909	419,627	2,123,536	14.8%	197,695	1,925,841	90.7%
117 & 119 John	—	7,562	7,562		—	7,562	100.0%
19 Duncan	149,229	3,546	152,775		—	152,775	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		1,442	51,428	97.3%
257 Adelaide W	37,927	—	37,927		24,847	13,080	34.5%
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	1,035,918	89,889	1,125,807	7.9%	129,522	996,285	88.5%

**MARCH 31, 2025
PROPERTIES**

	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased	Total Leased	Leased %
110 Yonge ⁽²⁾	78,292	2,376	80,668		8,207	72,461	89.8%
175 Bloor E ⁽³⁾	296,409	9,165	305,574		92,425	213,149	69.8%
193 Yonge	34,349	16,898	51,247		—	51,247	100.0%
525 University	199,115	9,229	208,344		17,988	190,356	91.4%
Downtown	608,165	37,668	645,833	4.5%	118,620	527,213	81.6%
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		9,155	34,754	79.2%
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		21,833	59,574	73.2%
60 Adelaide E	106,082	4,608	110,690		8,720	101,970	92.1%
65 Front E	13,963	5,999	19,962		4,722	15,240	76.3%
70 Esplanade	19,590	6,109	25,699		7,517	18,182	70.7%
St. Lawrence Market	339,436	122,404	461,840	3.2%	60,526	401,314	86.9%
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	4,495,134	719,251	5,214,385	36.4%	625,542	4,588,843	88.0%
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	306,745	25,809	332,554		127,233	205,321	61.7%
Kitchener	683,388	25,809	709,197	5.0%	131,110	578,087	81.5%
Toronto & Kitchener	5,178,522	745,060	5,923,582	41.4%	756,652	5,166,930	87.2%

**MARCH 31, 2025
PROPERTIES**

	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased	Total Leased	Leased %
1001 Boulevard Robert-Bourassa ⁽⁵⁾	693,632	11,168	704,800		524	704,276	99.9%
1010 Sherbrooke W	327,718	1,665	329,383		40,421	288,962	87.7%
400 Atlantic ⁽⁵⁾	58,538	5,795	64,333		—	64,333	100.0%
425 Viger	307,201	8,896	316,097		—	316,097	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		22,846	466,569	95.3%
5505 Saint-Laurent	243,788	2,207	245,995		—	245,995	100.0%
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	142,925	800	143,725		43,906	99,819	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		54,170	470,712	89.7%
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		14,350	12,646	46.8%
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		37,766	62,363	62.3%
El Pro Lofts - 644 Courcelle	145,126	8,940	154,066		48,265	105,801	68.7%
Le Nordelec - 1301-1303 Montmorency	7,550	—	7,550		—	7,550	100.0%
Le Nordelec - 1655 Richardson	32,893	—	32,893		32,893	—	—%
Le Nordelec - 1751 Richardson	788,807	38,538	827,345		109,704	717,641	86.7%
RCA Building - 1001 Lenoir ⁽⁵⁾	141,780	1,463	143,243		3,160	140,083	97.8%
Montréal	5,792,880	184,301	5,977,181	41.8%	753,363	5,223,818	87.4%
613 11th SW	—	4,288	4,288		—	4,288	100.0%
617 11th SW	3,230	6,306	9,536		—	9,536	100.0%
Alberta Block - 805 1st SW	9,094	22,037	31,131		1,307	29,824	95.8%
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		—	51,298	100.0%
Burns Building - 237 8th SE	67,360	7,423	74,783		24,181	50,602	67.7%

**MARCH 31, 2025
PROPERTIES**

	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased	Total Leased	Leased %
Cooper Block - 809 10th SW	35,256	—	35,256		15,854	19,402	55.0%
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		—	22,210	100.0%
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		—	51,117	100.0%
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		72,521	15,257	17.4%
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		—	7,005	100.0%
Calgary	961,155	214,788	1,175,943	8.2%	189,918	986,025	83.8%
1040 Hamilton	36,278	9,162	45,440		1,215	44,225	97.3%
1050 Homer	38,336	4,797	43,133		4,797	38,336	88.9%
1185 West Georgia	162,113	4,869	166,982		57,568	109,414	65.5%
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	36,407	—	36,407		—	36,407	100.0%

MARCH 31, 2025 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⁾	94,580	23,052	117,632		—	117,632	100.0%
840 Cambie	82,365	—	82,365		—	82,365	100.0%
948-950 Homer	23,245	21,758	45,003		—	45,003	100.0%
Dominion Building - 207 West Hastings	62,415	12,646	75,061		14,671	60,390	80.5%
Sun Tower - 128 West Pender	76,392	1,693	78,085		23,163	54,922	70.3%
400 West Georgia	340,846	6,546	347,392		63,772	283,620	81.6%
Vancouver	1,077,381	160,255	1,237,636	8.6%	178,093	1,059,543	85.6%
Total Rental Portfolio	13,009,938	1,304,404	14,314,342	100.0%	1,878,026	12,436,316	86.9%

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.

RENTAL-RESIDENTIAL

The table below summarizes the leasing status of Allied's rental-residential portfolio:

PROPERTY	SUITES UNDER DEVELOPMENT	SUITES IN RENTAL PORTFOLIO	TOTAL NUMBER OF SUITES	LEASED AT MARCH 31, 2025	LEASED AT DECEMBER 31, 2024
Calgary House - 655 Centre Street SW ⁽¹⁾	—	326	326	95.1%	91.8%
Toronto House - 225 Adelaide Street W ⁽²⁾	119	345	464	32.1%	15.7%
	119	671	790		

(1) The number of suites is at 100% ownership.

(2) Toronto House was formerly known as the residential component of 19 Duncan.

Unaudited Condensed
Consolidated Financial Statements
For the Three Months Ended
March 31, 2025 and 2024

**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT MARCH 31, 2025 AND DECEMBER 31, 2024**

(in thousands of Canadian dollars)	NOTES	MARCH 31, 2025	DECEMBER 31, 2024
Assets			
Non-current assets			
Investment properties	5	\$9,322,162	\$9,448,363
Residential inventory	6	231,013	221,004
Loans and notes receivable	8	203,084	191,045
Other assets	9	32,068	36,642
		\$9,788,327	\$9,897,054
Current assets			
Cash and cash equivalents	20	14,924	73,918
Loans and notes receivable	8	243,728	235,532
Accounts receivable, prepaid expenses and deposits	10	152,760	137,645
Investment properties held for sale	5	277,490	259,830
		\$688,902	\$706,925
Total assets		\$10,477,229	\$10,603,979
Liabilities			
Non-current liabilities			
Debt	11	\$3,101,045	\$3,418,246
Lease liabilities	12	8,375	8,384
Other liabilities	13	53,259	52,297
		\$3,162,679	\$3,478,927
Current liabilities			
Exchangeable LP Units	16	193,552	202,527
Debt	11	1,374,724	985,129
Accounts payable and other liabilities	13	342,912	367,731
Lease liability held for sale	12	7,020	7,021
		\$1,918,208	\$1,562,408
Total liabilities		\$5,080,887	\$5,041,335
Unitholders' equity	15	\$5,396,342	\$5,562,644
Total liabilities and Unitholders' equity		\$10,477,229	\$10,603,979

Commitments and Contingencies (note 26)

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



Michael R. Emory
Trustee



Stephen L. Sender
Trustee

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(in thousands of Canadian dollars)	NOTES	THREE MONTHS ENDED	
		MARCH 31, 2025	MARCH 31, 2024
Rental revenue	18, 22	\$150,636	\$143,577
Property operating costs	22	(69,401)	(65,106)
Operating income		\$81,235	\$78,471
Interest income		10,095	14,759
Interest expense	11 (f)	(30,684)	(23,431)
General and administrative expenses	19, 25 (c)	(6,706)	(6,498)
Condominium marketing expenses		(8)	(35)
Amortization of other assets	9	(373)	(378)
Net income from joint venture	7	—	752
Fair value loss on investment properties and investment properties held for sale	5	(164,099)	(119,192)
Fair value gain on Exchangeable LP Units	16, 25 (c)	8,975	29,641
Fair value (loss) gain on derivative instruments	25 (e)	(6,095)	7,148
Net loss and comprehensive loss		\$(107,660)	\$(18,763)

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

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(in thousands of Canadian dollars)	NOTES	UNITS	RETAINED EARNINGS	CONTRIBUTED SURPLUS	UNITHOLDERS' EQUITY	TOTAL EQUITY
Balance at January 1, 2024	15	\$4,546,908	\$1,550,518	\$37,653	\$6,135,079	\$6,135,079
Net loss and comprehensive loss		—	(18,763)	—	(18,763)	(18,763)
Distributions	15	—	(57,580)	—	(57,580)	(57,580)
Contributed surplus – Unit Option Plan	17 (a)	—	—	58	58	58
Restricted Unit Plan (net of forfeitures)	15, 17 (b)	(1,692)	—	1,191	(501)	(501)
Balance at March 31, 2024		\$4,545,216	\$1,474,175	\$38,902	\$6,058,293	\$6,058,293

	NOTES	UNITS	RETAINED EARNINGS	CONTRIBUTED SURPLUS	UNITHOLDERS' EQUITY	TOTAL EQUITY
Balance at January 1, 2025	15	\$4,545,196	\$977,667	\$39,781	\$5,562,644	\$5,562,644
Net loss and comprehensive loss		—	(107,660)	—	(107,660)	(107,660)
Distributions	15	—	(57,580)	—	(57,580)	(57,580)
Contributed surplus – Unit Option Plan	17 (a)	—	—	5	5	5
Restricted Unit Plan (net of forfeitures)	15, 17 (b)	(2,026)	—	959	(1,067)	(1,067)
Balance at March 31, 2025		\$4,543,170	\$812,427	\$40,745	\$5,396,342	\$5,396,342

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

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

(in thousands of Canadian dollars)	NOTES	THREE MONTHS ENDED	
		MARCH 31, 2025	MARCH 31, 2024
Operating activities			
Net loss for the period		\$(107,660)	\$(18,763)
Fair value loss on investment properties and investment properties held for sale	5	164,099	119,192
Fair value gain on Exchangeable LP Units	16, 25 (c)	(8,975)	(29,641)
Fair value loss (gain) on derivative instruments	25 (e)	6,095	(7,148)
Payment on settlement of derivative instruments	17 (d)	(680)	—
Interest expense (net of the impact of capitalization)	11 (f)	30,684	23,431
Interest paid (net of the impact of capitalization)	5, 6, 12, 16, 20	(37,902)	(33,937)
Interest income		(10,095)	(14,759)
Interest received		9,577	10,893
Net income from joint venture	7	—	(752)
Amortization of other assets	9	373	378
Amortization of improvement allowances	5	9,510	9,393
Amortization of straight-line rent	5	(987)	(1,453)
Amortization of premium on debt	11 (f)	—	(87)
Amortization of lease liabilities	5, 12	—	219
Amortization of net financing costs	11 (f)	1,013	731
Unit-based compensation expense	17, 25 (c)	2,126	2,437
Settlement of unit-based compensation liabilities	17 (c)	(816)	(1,009)
Additions to residential inventory	6	(10,009)	(13,314)
Change in other non-cash operating items	8, 10, 13, 20	(29,700)	(24,122)
Cash provided by operating activities		\$16,653	\$21,689
Financing activities			
Repayment of mortgages payable	11 (a)	(6,300)	(806)
Proceeds from senior unsecured debentures (net of financing costs)	11 (d)	447,844	—
Repayment of senior unsecured debentures	11 (d)	(200,000)	—
Principal payments of lease liabilities	12	(10)	(9)
Distributions paid on Units	15	(57,580)	(118,999)
Restricted Unit Plan (net of forfeitures)	15, 17 (b)	(2,026)	(1,692)
Proceeds from unsecured revolving operating facility	11 (c)	85,602	51,095
Proceeds from construction loans	11 (b)	6,728	9,490
Repayment of construction loan	11 (b)	(262,493)	—
Financing costs	11 (a), (d), (e)	—	(862)
Cash provided by (used in) financing activities		\$11,765	\$(61,783)

(in thousands of Canadian dollars)	NOTES	THREE MONTHS ENDED	
		MARCH 31, 2025	MARCH 31, 2024
Investing activities			
Additions to investment properties (including capitalized interest)	5, 11 (f)	(51,896)	(96,153)
Net distributions from equity accounted investments	7	—	1,059
Loans receivable issued to third-parties	8 (a), 20	(18,455)	(27,644)
Notes receivable repaid	8 (b)	530	7
Advances on note receivable from holder of Exchangeable LP Units	11 (f), 16	(5,314)	(10,983)
Additions to equipment and other assets	9	(143)	(245)
Leasing commissions	5	(3,404)	(4,913)
Improvement allowances	5	(8,730)	(19,112)
Cash used in investing activities		\$(87,412)	\$(157,984)
Decrease in cash and cash equivalents		(58,994)	(198,078)
Cash and cash equivalents, beginning of period		73,918	211,069
Cash and cash equivalents, end of period		\$14,924	\$12,991

Note 20 contains supplemental cash flow information.

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

**ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024**

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

1. NATURE OF OPERATIONS

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

The subsidiaries of Allied include Allied Properties Management Trust, Allied Properties Management Limited Partnership, Allied Properties Management GP Limited, Allied Properties Exchangeable Limited Partnership (the “Partnership”), and Allied Properties Exchangeable GP Inc. (the “General Partner”).

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

The unaudited condensed consolidated financial statements for the three months ended March 31, 2025 and 2024 were approved and authorized for issue by the Board of Trustees (the “Board”) on April 30, 2025.

(a) Statement of compliance

The unaudited condensed consolidated financial statements of Allied for the three months ended March 31, 2025 and 2024 are prepared in accordance with IAS[®] 34, “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”).

The material accounting policy information discussed below and disclosed in Allied’s December 31, 2024, audited annual consolidated financial statements as material accounting policies have been applied consistently in the preparation of these unaudited condensed consolidated financial statements.

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

In April 2024, the IASB issued IFRS 18, “Presentation and Disclosure in the Financial Statements,” which sets out the overall requirements for presentation and disclosures in the financial statements. The new standard will replace IAS 1, “Presentation of Financial Statements.” Although much of the substance of IAS 1, “Presentation of Financial Statements,” 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 unaudited condensed consolidated financial statements requires management to make judgments and estimates in applying Allied's accounting policies that affect the reported amounts and disclosures made in the unaudited condensed consolidated financial statements and accompanying notes.

The critical accounting estimates and assumptions disclosed in Allied's December 31, 2024, audited annual consolidated financial statements have been applied consistently in the preparation of these unaudited condensed consolidated financial statements.

4. ACQUISITIONS AND DISPOSITIONS

Acquisitions

During the three months ended March 31, 2025, Allied did not acquire any properties.

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%
Adelaide & Duncan, Toronto ⁽²⁾	April 1, 2024	Office, residential, retail	248,382	45%
Calgary House, Calgary ⁽³⁾	December 19, 2024	Residential	78,390	50%
400 West Georgia, Vancouver ⁽¹⁾	December 20, 2024	Office, retail	37,436	10%
Adelaide & 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) Adelaide & Duncan consists of commercial and residential components. The residential component is located at 225 Adelaide Street W and is known as Toronto House. The commercial component is located at 19 Duncan. Allied acquired an incremental 45% interest and 5% interest in Adelaide & Duncan on April 1, 2024, and December 20, 2024, respectively, increasing Allied's total ownership in Adelaide & Duncan to 100%.

(3) Calgary House was previously known as the residential component of TELUS Sky. 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 Adelaide & Duncan of \$605,907 was satisfied by construction loans assumed totalling \$327,735 (note 11), the assumption of other liabilities of \$29,262 related to completing the Adelaide & Duncan development, working capital of \$2,510, the settlement of a loan receivable due from the seller of \$197,339 (note 8), 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 (“Calgary House”) 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 Calgary House of \$78,390 was satisfied by working capital of \$80 and partial settlement of the loan receivable from joint venture of \$78,310 (note 7). 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 Adelaide & Duncan of \$60,558 was satisfied by construction loans assumed totalling \$37,358 (note 11), the assumption of other liabilities of \$2,308 relating to completing the Adelaide & Duncan development, working capital of \$749, the partial settlement of a loan receivable due from the seller of \$18,866 (note 8a) 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 Adelaide & Duncan to 100%.

Dispositions

During the three months ended March 31, 2025, Allied did not dispose of any properties.

On March 25, 2025, Allied entered into an agreement to sell the Boardwalk-Revillion Building in Edmonton. The sale is expected to close in the second quarter of this year.

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 11a)			14,850
Lease liability transfer (note 12)			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 Unaudited Condensed 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.

5. INVESTMENT PROPERTIES AND INVESTMENT PROPERTIES HELD FOR SALE

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

	THREE MONTHS ENDED MARCH 31, 2025			YEAR ENDED DECEMBER 31, 2024		
	RENTAL PROPERTIES	PROPERTIES UNDER DEVELOPMENT (“PUD”)	TOTAL	RENTAL PROPERTIES	PROPERTIES UNDER DEVELOPMENT (“PUD”)	TOTAL
Balance, beginning of period	\$8,861,454	\$846,739	\$9,708,193	\$8,368,872	\$1,018,160	\$9,387,032
Additions:						
Acquisitions ⁽¹⁾	—	—	—	543,331	201,524	744,855
Improvement allowances	7,625	1,105	8,730	30,879	42,368	73,247
Leasing commissions	2,825	579	3,404	13,024	7,112	20,136
Capital expenditures	11,301	40,595	51,896	73,359	199,596	272,955
Dispositions	—	—	—	(203,656)	—	(203,656)
Transfers from PUD	122,758	(122,758)	—	592,006	(592,006)	—
Transfers to PUD	(6,241)	6,241	—	(123,000)	123,000	—
Transfers from (to) other assets	51	—	51	758	—	758
Amortization of straight-line rent and improvement allowances	(8,432)	(91)	(8,523)	(28,569)	(996)	(29,565)
Fair value loss on investment properties and investment properties held for sale	(131,239)	(32,860)	(164,099)	(405,550)	(152,019)	(557,569)
Balance, end of period	\$8,860,102	\$739,550	\$9,599,652	\$8,861,454	\$846,739	\$9,708,193
Investment properties	\$8,582,612	\$739,550	\$9,322,162	\$8,601,624	\$846,739	\$9,448,363
Investment properties held for sale	277,490	—	277,490	259,830	—	259,830
	\$8,860,102	\$739,550	\$9,599,652	\$8,861,454	\$846,739	\$9,708,193

(1) For the year ended December 31, 2024, this includes \$51,567 of Calgary House, 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 Calgary House to Allied and Westbank (notes 4 and 7).

As at March 31, 2025, Allied had 15 properties classified as investment properties held for sale totalling \$277,490. As at December 31, 2024, Allied had 14 properties classified as investment properties held for sale totalling \$259,830.

For the three months ended March 31, 2025, Allied capitalized \$14,567 (March 31, 2024 - \$13,563) 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 \$46,880 (December 31, 2024 - \$47,420) 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 19.5 years to 77.2 years (December 31, 2024 - 19.8 years to 77.5 years). In addition, Allied has a prepaid land leasehold interest in a property with a fair value of \$155,920 (December 31, 2024 - \$166,400) and a maturity of 71.3 years (December 31, 2024 - 71.6 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	
	MARCH 31, 2025	DECEMBER 31, 2024
Discount rate	6.11%	6.09%
Terminal capitalization rate	5.29%	5.27%
Overall capitalization rate	4.90%	4.88%

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	\$399,544	\$196,984	\$(191,581)	\$(377,925)

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	\$574,928	\$272,536	\$(246,962)	\$(471,839)

6. RESIDENTIAL INVENTORY

Residential inventory is as follows:

	MARCH 31, 2025	DECEMBER 31, 2024
KING Toronto	\$231,013	\$221,004

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

	MARCH 31, 2025	DECEMBER 31, 2024
Balance, beginning of period	\$221,004	\$209,783
Development expenditures	10,009	49,480
Impairment	—	(38,259)
Balance, end of period	\$231,013	\$221,004

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 three months ended March 31, 2025, Allied capitalized \$2,313 (March 31, 2024 - \$2,351) of borrowing costs to qualifying residential inventory.

Residential inventory carrying value is calculated as the estimated gross proceeds less estimated costs to complete. The impairment during the year ended December 31, 2024, of \$38,259, reflects higher estimated costs to complete and lower estimated gross proceeds.

7. INVESTMENT IN JOINT VENTURE AND LOAN RECEIVABLE

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 Calgary House 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 Calgary House 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 bore interest at bank prime plus 75 basis points or CORRA plus 175 basis points. On July 14, 2023, the TELUS Sky Partnership 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 provided a joint and several guarantee up to the amount of \$94,000 to support the TELUS Sky Partnership's facility. On December 19, 2024, \$78,310 of the construction loan was settled as consideration for the acquisition of the 50% undivided interest in Calgary House (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 Calgary House and the commercial component, through an equity accounted investment, of which Allied had a one-third interest. Following the reorganization, Allied accounts for its 50% interest in Calgary House through a co-ownership structure, which is accounted for as a joint operation (note 21), 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.

	THREE MONTHS ENDED	
	MARCH 31, 2025	MARCH 31, 2024
Revenue	\$—	\$6,165
Expenses	—	(4,335)
Interest income	—	39
Amortization of other assets	—	(177)
Fair value gain	—	564
Net income and comprehensive income of the TELUS Sky Partnership at 100%	\$—	\$2,256
Net income and comprehensive income of the TELUS Sky Partnership at Allied's share	\$—	\$752

	MARCH 31, 2025	DECEMBER 31, 2024
Investment in joint venture, beginning of period	\$—	\$8,866
Net income	—	1,842
Contributions	—	3,690
Distributions ⁽¹⁾	—	(14,398)
Investment in joint venture, end of period	\$—	\$—

(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 Calgary House and the commercial component 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).

8. LOANS AND NOTES RECEIVABLE

Loans and notes receivable are as follows:

	MARCH 31, 2025	DECEMBER 31, 2024
Loans receivable (a)	\$433,082	\$412,317
Notes and other receivables (b)	13,730	14,260
	\$446,812	\$426,577
Current	\$243,728	\$235,532
Non-current	203,084	191,045
	\$446,812	\$426,577

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

	MATURITY DATE	MARCH 31, 2025	DECEMBER 31, 2024
KING Toronto ⁽¹⁾	December 31, 2026	\$193,171	\$181,123
Breithaupt Phase III ⁽²⁾	N/A	9,913	9,913
150 West Georgia	December 9, 2025	229,998	221,281
Total loans receivable		\$433,082	\$412,317

(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 was repaid on April 28, 2025.

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. Interest accrues to the credit facility monthly at a rate of 7.00% per annum.

Allied had two loan receivables with Westbank that were settled during the year ended December 31, 2024, related to Adelaide & Duncan in Toronto and 400 West Georgia in Vancouver.

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 Adelaide & 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 Adelaide & 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 8b).

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. 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 Adelaide & Duncan (note 4).

Allied has assessed the expected credit losses on an individual loan basis. Allied assesses the risk of expected credit losses, including considering the status of corporate guarantees and/or registered mortgage charges and assignment of leases, outcome of credit checks on borrowers, results of monitoring the financial and operating performance of borrowers, construction and leasing status on the development projects, timing of rent commencement on leases, and status of scheduled principal and interest payments. The expected credit losses estimated by Management considering the factors described above is \$nil as at March 31, 2025 (December 31, 2024 - \$nil).

- (b) As at March 31, 2025, 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.

9. OTHER ASSETS

Other assets consist of the following:

	MARCH 31, 2025	DECEMBER 31, 2024
Equipment and other assets ⁽¹⁾	\$3,755	\$3,885
Property, plant and equipment ⁽²⁾	19,291	19,441
Interest rate swap derivative assets	9,022	13,316
	\$32,068	\$36,642
Current	\$—	\$—
Non-current	32,068	36,642
	\$32,068	\$36,642

(1) During the three months ended March 31, 2025, Allied recorded amortization of equipment and other assets of \$273 (March 31, 2024 - \$278).

(2) Property, plant and equipment relates to owner-occupied property. During the three months ended March 31, 2025, Allied recorded amortization of owner-occupied property of \$100 (March 31, 2024 - \$100).

10. ACCOUNTS RECEIVABLE, PREPAID EXPENSES AND DEPOSITS

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

	MARCH 31, 2025	DECEMBER 31, 2024
User trade receivables - net of allowance (a)	\$15,970	\$16,111
Other user receivables (b)	10,398	9,472
Miscellaneous receivables (c)	19,893	19,060
Prepaid expenses and deposits (d)	106,499	93,002
	\$152,760	\$137,645

(a) *User trade receivables*

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

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

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

	THREE MONTHS ENDED	YEAR ENDED
	MARCH 31, 2025	DECEMBER 31, 2024
Allowance for expected credit loss, beginning of period	\$11,569	\$11,722
Additional provision recorded during the period	498	3,254
Reversal of previous provisions	(205)	(1,630)
Receivables written off during the period	(118)	(1,777)
Allowance for expected credit loss, end of period	\$11,744	\$11,569

(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, leasing commission, project fees and interest income due from external parties. As at March 31, 2025, 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.

11. DEBT

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

	MARCH 31, 2025	DECEMBER 31, 2024
Mortgages payable (a)	\$431,479	\$437,536
Construction loans payable (b)	218,101	473,866
Unsecured revolving operating facility (c)	85,602	—
Senior unsecured debentures (d)	3,090,892	2,842,388
Unsecured term loans (e)	649,695	649,585
	\$4,475,769	\$4,403,375
Current	\$1,374,724	\$985,129
Non-current	3,101,045	3,418,246
	\$4,475,769	\$4,403,375

The respective financing costs recognized are amortized using the effective interest method and recorded to interest expense (note 11 (f)).

In 2024, Allied amended the benchmark rates in its debt and swap agreements from CDOR to CORRA including a credit spread adjustment (“Adjusted CORRA”), as applicable, due to the cessation of the publication of CDOR on June 28, 2024.

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 Adjusted CORRA-based interest payments for fixed interest payments at an interest rate of 3.223%. The swap was 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 all-in fixed interest rate for the variable-rate debt which this swap is applied to ranges from 4.577% to 4.927%.

(a) *Mortgages payable*

Mortgages payable have a weighted average contractual interest rate of 4.87% as at March 31, 2025 (December 31, 2024 - 4.81%). There were no variable rate mortgages payable as at March 31, 2025 and December 31, 2024. The weighted average term of the mortgage debt is 4.5 years (December 31, 2024 - 4.7 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.

As at March 31, 2025, and December 31, 2024, Allied's obligations under mortgages are as follows:

	PRINCIPAL REPAYMENTS	BALANCE DUE AT MATURITY	MARCH 31, 2025	DECEMBER 31, 2024
Remaining 2025	\$4,864	\$—	\$4,864	
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	\$36,206	\$398,989	\$435,195	\$441,495
Net financing costs			(3,716)	(3,959)
			\$431,479	\$437,536

(b) *Construction loans payable*

As at March 31, 2025, and December 31, 2024, Allied's obligations relating to construction loans are as follows:

	OWNERSHIP	FACILITY LIMIT ⁽²⁾	DATE OF MATURITY	CONTRACTUAL INTEREST RATE	STANDBY FEE AND LETTER OF CREDIT FEE	MARCH 31, 2025	DECEMBER 31, 2024
Adelaide & Duncan ⁽¹⁾	100%	\$295,000	August 11, 2025	Prime + 0.35% or Adjusted CORRA + 1.35%	0.25% and 1.00%	\$—	\$257,667
Breithaupt Phase III	50%	\$67,200	April 30, 2025	Prime + 0.25% or Adjusted CORRA + 1.45%	0.20% and 1.00%	57,572	57,572
KING Toronto	50%	\$226,299	July 31, 2026	Prime + 0.45% or Adjusted CORRA + 1.45%	0.25% and 1.00%	99,900	99,900
108 East 5th Avenue ⁽³⁾	50%	\$75,000	December 6, 2025	Prime + 0.35% or Adjusted CORRA + 1.35%	0.27% and 1.00%	60,629	58,727
						\$218,101	\$473,866

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

(2) The facility limit is as at Allied's ownership.

(3) The interest rate and the standby fee are subject to variability based on meeting two sustainability performance targets and sustainability minimums. 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's and Westbank had a construction lending facility for the Adelaide & Duncan joint arrangement from a syndicate of Canadian banks. On April 1 and December 20, 2024, Allied's share increased from \$147,500 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. 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. On February 25, 2025, Allied fully repaid the construction lending facility of \$262,493 with no financing prepayment cost.

Allied and Perimeter have a construction loan for the Breithaupt Phase III joint arrangement from a financial institution. 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 (\$67,200 at Allied's share). 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. On March 21, 2025, the Breithaupt Phase III joint arrangement extended the maturity date from March 31, 2025, to April 30, 2025. On April 28, 2025, Allied and Perimeter fully repaid the construction loan with proceeds from mortgage financing.

Allied and Westbank have a green construction lending facility for the KING Toronto joint arrangement from a syndicate of Canadian banks. On September 27, 2024, the maturity date for the construction lending facility was extended from December 17, 2024, to July 31, 2026. 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 construction lending facility for the 108 East 5th Avenue joint arrangement from a syndicate of Canadian banks. 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. 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 an all-in fixed interest rate of 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 Adjusted CORRA plus 160 basis points. Allied had provided a joint and several guarantee of the entire facility.

(c) *Unsecured revolving operating facility*

As at March 31, 2025, and December 31, 2024, Allied's obligation under the unsecured revolving operating facility (the "Unsecured Facility") is as follows:

MARCH 31, 2025

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 Adjusted CORRA + 1.70% ⁽²⁾	0.34%	\$800,000	\$(85,602)	\$(11,475)	\$702,923

(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 for this facility are subject to certain conditions being met. On April 15, 2025, the interest rate decreased for the Unsecured Facility to prime + 0.45% or Adjusted CORRA + 1.45%.

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 Adjusted 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 for this facility are subject to certain conditions being met. On June 11, 2024, the spread, standby fee and letter of credit fee increased for the Unsecured Facility.

(d) *Senior unsecured debentures*

As at March 31, 2025, and December 31, 2024, Allied's obligations under the senior unsecured debentures are as follows:

SERIES	CONTRACTUAL INTEREST RATE	DATE OF MATURITY	INTEREST PAYMENT DATE	MARCH 31, 2025	DECEMBER 31, 2024
Series C	3.636%	April 21, 2025	April 21 and October 21	\$—	\$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	250,000
Series K	4.808%	February 24, 2029	February 24 and August 24	450,000	—
Senior unsecured debentures, principal				\$3,100,000	\$2,850,000
Net financing costs				(9,108)	(7,612)
				\$3,090,892	\$2,842,388

The Series C, D, E, F, G, H, I, J and K 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.

On February 24, 2025, Allied issued \$450,000 of 4.808% Series K senior unsecured debentures (the “Series K Debentures”) on a private placement basis due February 24, 2029, with semi-annual interest payments due on August 24 and February 24 each year commencing on August 24, 2025. Debt financing costs of \$2,156 were incurred and recorded against the principal owing. The Series K Debentures were Allied's third green bond issuance. Proceeds from the Series K Debentures were used to repay the Adelaide & Duncan construction loan due August 11, 2025, and the remaining proceeds were used towards redeeming the \$200,000 aggregate principal amount of 3.636% Series C senior unsecured debentures due April 21, 2025 (the “Series C Debentures”). No prepayment costs were incurred with the repayment of the Adelaide & Duncan construction loan and the redemption of the Series C Debentures.

On April 7, 2025, Allied issued \$400,000 of senior unsecured debentures in two series on a private placement basis (the “Offering”). The Offering included (i) \$150 million Series L senior unsecured debentures that bear interest at CORRA plus 1.80% per annum (the “Series L Debentures”), due April 7, 2027, with quarterly interest payments payable in arrears due on January 7, April 7, July 7, and October 7 each year commencing on July 7, 2025, and (ii) \$250 million of 4.312% Series M senior unsecured debentures (the “Series M Debentures”) due on April 7, 2027, with semi-annual interest payments due on April 7 and October 7 each year commencing on October 7, 2025. Proceeds from the Offering were used to fully repay the \$400 million unsecured term loan maturing on October 22, 2025. No prepayment costs were incurred with the repayment of the unsecured term loan.

On April 7, 2025, Allied entered into a swap agreement to fix the floating-rate Series L Debentures at an all-in fixed interest rate of 4.258% for the term of the Series L Debentures.

(e) *Unsecured term loans*

As at March 31, 2025, and December 31, 2024, Allied’s obligations under the unsecured term loans are as follows:

	CONTRACTUAL INTEREST RATE ⁽¹⁾	DATE OF MATURITY	FREQUENCY OF INTEREST PAYMENT	MARCH 31, 2025	DECEMBER 31, 2024
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				(305)	(415)
				\$649,695	\$649,585

(1) *This is the all-in fixed interest rate on swapped debt.*

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

Allied can extend the maturity date on its \$250,000 unsecured term loan, which bears interest at Adjusted CORRA plus 140 basis points, through one-year extension options until January 14, 2031. Allied has a swap agreement until January 14, 2031. The all-in fixed interest rate as of March 31, 2025, is 3.496%.

Allied also had a swap agreement on its \$400,000 unsecured term loan, which bore interest at Adjusted CORRA plus 110 basis points, at an all-in fixed interest rate of 4.865%. On April 8, 2025, Allied fully repaid the \$400,000 unsecured term loan with no financing prepayment costs, and terminated the related swap with a cash payment of \$2,240.

(f) *Interest expense*

Interest expense consists of the following:

	THREE MONTHS ENDED	
	MARCH 31, 2025	MARCH 31, 2024
Interest on debt:		
Mortgages payable	\$5,254	\$941
Construction loans payable	4,235	5,154
Unsecured Facility	1,028	862
Unsecured Debentures	23,531	18,664
Unsecured Term Loans	6,953	6,994
Interest on lease liabilities	236	772
Amortization, premium on debt	—	(87)
Amortization, net financing costs	1,013	731
Distributions on Exchangeable LP Units ⁽¹⁾	5,314	5,314
	\$47,564	\$39,345
Interest capitalized to qualifying investment properties and residential inventory	(16,880)	(15,914)
Interest expense	\$30,684	\$23,431

(1) The distributions declared on Exchangeable LP Units are recognized as interest expense as Allied is an open-end trust.

Borrowing costs have been capitalized for the three months ended March 31, 2025, to qualifying investment properties and residential inventory at a weighted average effective rate of 3.60% per annum (March 31, 2024 - 3.18%), which excludes directly attributable borrowing costs.

(g) *Schedule of principal repayments*

The table below summarizes the scheduled principal maturity for Allied's mortgages payable, construction loans payable, Unsecured Facility, Unsecured Debentures and Unsecured Term Loans as at March 31, 2025:

	REMAINING 2025	2026	2027	2028	2029	THEREAFTER	TOTAL
Mortgages payable, principal repayments	\$4,864	\$6,673	\$6,040	\$6,132	\$6,139	\$6,358	\$36,206
Mortgages payable, balance due at maturity	—	20,443	50,000	14,457	91,498	222,591	398,989
Construction loans payable	118,201	99,900	—	—	—	—	218,101
Unsecured Facility	—	—	85,602	—	—	—	85,602
Unsecured Debentures	—	600,000	300,000	550,000	750,000	900,000	3,100,000
Unsecured Term Loans ⁽¹⁾	400,000	250,000	—	—	—	—	650,000
Total	\$523,065	\$977,016	\$441,642	\$570,589	\$847,637	\$1,128,949	\$4,488,898

(1) On April 8, 2025, Allied fully repaid its \$400,000 unsecured term loan due October 22, 2025.

A description of Allied's risk management objectives and policies for financial instruments is provided in note 25.

12. LEASE LIABILITIES

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

	REMAINING 2025	2026 - 2029	THEREAFTER	MARCH 31, 2025	DECEMBER 31, 2024
Future minimum lease payments	\$777	\$4,145	\$63,180	\$68,102	\$67,854
Interest (paid) accrued on lease obligations	(31)	(196)	—	(227)	(237)
Less: amounts representing interest payments	(746)	(3,949)	(47,785)	(52,480)	(52,212)
Present value of lease payments	\$—	\$—	\$15,395	\$15,395	\$15,405
Current ⁽¹⁾				\$7,020	\$7,021
Non-current				\$8,375	\$8,384
				\$15,395	\$15,405

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

Some of Allied's lease agreements contain contingent rent clauses. Contingent rental payments are recognized in the Unaudited Condensed Consolidated Statements of Loss and Comprehensive Loss as required when contingent criteria are met. The lease agreements contain renewal options, purchase options, escalation clauses, additional debt and further leasing clauses. For the three months ended March 31, 2025, minimum lease payments of \$244 (March 31, 2024 - \$532) were paid by Allied.

13. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities consists of the following:

	MARCH 31, 2025	DECEMBER 31, 2024
Trade payables and other liabilities	\$216,031	\$225,907
Prepaid user rents	85,489	90,842
Accrued interest payable on Unsecured Debentures	16,687	26,885
Distributions payable on Units (note 15)	19,193	19,193
Distributions payable on Exchangeable LP Units (note 16)	1,771	1,771
Residential deposits ⁽¹⁾	49,591	49,478
Interest rate swap derivative liabilities	4,926	3,124
Total return swap derivative liabilities (note 17(d))	192	305
Unit-based compensation liabilities (note 17(c))	2,291	2,523
	\$396,171	\$420,028
Current	\$342,912	\$367,731
Non-current ⁽²⁾	53,259	52,297
	\$396,171	\$420,028

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

(2) Non-current liabilities as at March 31, 2025, are composed of residential deposits totalling \$49,591, unit-based compensation liabilities totalling \$1,140 and interest rate swap derivative liabilities of \$2,528 (December 31, 2024 - \$49,478, \$1,742 and \$1,077, respectively).

14. FAIR VALUE MEASUREMENTS

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

	CLASSIFICATION/ MEASUREMENT	MARCH 31, 2025		DECEMBER 31, 2024	
		CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
Financial Assets:					
Loans and notes receivable (note 8)	Amortized cost	\$446,812	\$446,812	\$426,577	\$424,478
Interest rate swap derivative assets (note 9)	FVTPL	9,022	9,022	13,316	13,316
Accounts receivable, prepaid expenses and deposits (note 10)	Amortized cost	152,760	152,760	137,645	137,645
Cash and cash equivalents (note 20)	Amortized cost	14,924	14,924	73,918	73,918
Financial Liabilities:					
Debt (note 11)					
Mortgages	Amortized cost	\$431,479	\$443,637	\$437,536	\$444,948
Construction loans payable	Amortized cost	218,101	218,101	473,866	473,866
Unsecured Facility	Amortized cost	85,602	85,602	—	—
Unsecured Debentures	Amortized cost	3,090,892	2,974,423	2,842,388	2,680,733
Unsecured Term Loans	Amortized cost	649,695	650,549	649,585	648,735
Accounts payable and other liabilities (note 13)	Amortized cost	388,762	388,762	414,076	414,076
Interest rate swap derivative liabilities (note 13)	FVTPL	4,926	4,926	3,124	3,124
Total return swap derivative liabilities (notes 13 and 17(d))	FVTPL	192	192	305	305
Unit-based compensation liabilities (notes 13 and 17(c))	FVTPL	2,291	2,291	2,523	2,523
Exchangeable LP Units (note 16)	FVTPL	193,552	193,552	202,527	202,527

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

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

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

	MARCH 31, 2025			DECEMBER 31, 2024		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
Financial Assets:						
Loans and notes receivable (note 8)	\$—	\$446,812	\$—	\$—	\$424,478	\$—
Interest rate swap derivative assets (note 9)	—	9,022	—	—	13,316	—
Accounts receivable, prepaid expenses and deposits (note 10)	—	152,760	—	—	137,645	—
Cash and cash equivalents (note 20)	14,924	—	—	73,918	—	—
Financial Liabilities:						
Debt (note 11)						
Mortgages	\$—	\$443,637	\$—	\$—	\$444,948	\$—
Construction loans payable	—	218,101	—	—	473,866	—
Unsecured Facility	—	85,602	—	—	—	—
Unsecured Debentures	—	2,974,423	—	—	2,680,733	—
Unsecured Term Loans	—	650,549	—	—	648,735	—
Accounts payable and other liabilities (note 13)	—	388,762	—	—	414,076	—
Interest rate swap derivative liabilities (note 13)	—	4,926	—	—	3,124	—
Total return swap derivative liabilities (notes 13 and 17(d))	—	192	—	—	305	—
Unit-based compensation liabilities (notes 13 and 17(c))	—	2,291	—	—	2,523	—
Exchangeable LP Units (note 16)	—	193,552	—	—	202,527	—

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).

15. EQUITY

Units (authorized - unlimited)

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

The following represents the number of Units issued and outstanding, and the related carrying value of equity, for the three months ended March 31, 2025, and the year ended December 31, 2024:

	NUMBER ISSUED AND OUTSTANDING	AMOUNT
Balance at January 1, 2024	127,955,983	\$4,546,908
Restricted Unit Plan (net of forfeitures) (note 17(b))	—	(1,712)
Balance at December 31, 2024	127,955,983	\$4,545,196
Restricted Unit Plan (net of forfeitures) (note 17(b))	—	(2,026)
Balance at March 31, 2025	127,955,983	\$4,543,170

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

Distributions

On April 15, 2025, Allied declared a distribution for the month of April 2025 of \$0.15 per Unit, representing \$1.80 per Unit on an annualized basis to Unitholders of record as at April 30, 2025.

Normal course issuer bid

On February 24, 2025, Allied received approval from the TSX for the renewal of its normal course issuer bid (“NCIB”), which entitles Allied to purchase up to 12,615,599 of its outstanding Units, representing approximately 10% of its public float as at February 12, 2025. The NCIB commenced February 26, 2025, and will expire on February 25, 2026, 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 and/or alternate trading systems in Canada at market prices prevailing at the time of purchase. Any Units that are repurchased will either be cancelled or delivered to participants under Allied’s Restricted Unit Plan or to employees pursuant to Allied’s employee programs.

During the three months ended March 31, 2025, Allied purchased 119,078 Units for \$2,026 at a weighted average price of \$17.02 for delivery to participants under Allied’s Restricted Unit Plan.

16. EXCHANGEABLE LP UNITS

Exchangeable LP Units (authorized - unlimited)

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.

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

The following represents the number of Exchangeable LP Units issued and outstanding, and the related carrying value, for the three months ended March 31, 2025, and the year ended December 31, 2024.

	NUMBER ISSUED AND OUTSTANDING	AMOUNT
Balance at January 1, 2024	11,809,145	\$238,309
Fair value gain on Exchangeable LP Units	—	(35,782)
Balance at December 31, 2024	11,809,145	\$202,527
Fair value gain on Exchangeable LP Units	—	(8,975)
Balance at March 31, 2025	11,809,145	\$193,552

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, 2025, to March 31, 2025, was \$5,314, for which Choice Properties elected to receive a loan in lieu of all of the distributions. A note receivable of \$5,314 was outstanding from Choice Properties as of March 31, 2025, the amount entirely consisting of cash advances made during the three months ended March 31, 2025, in respect of monthly distributions. 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 April 15, 2025, the Partnership declared a distribution for the month of April 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 April 30, 2025, for which Choice Properties elected to receive a loan in lieu of the distribution.

17. 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)	(25,477)	164,172	164,172
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	439,240
		2,136,901		(393,342)	(32,861)	1,710,698	1,710,698

	THREE MONTHS ENDED		YEAR ENDED	
	MARCH 31, 2025		DECEMBER 31, 2024	
	THE RANGE OF EXERCISE PRICES	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	THE RANGE OF EXERCISE PRICES	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)
For the Units outstanding at the end of the period	\$31.56-\$54.59	3.90	\$31.56-\$54.59	4.14

	THREE MONTHS ENDED		YEAR ENDED	
	MARCH 31, 2025		DECEMBER 31, 2024	
	NUMBER OF UNITS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF UNITS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	1,712,971	\$42.01	1,712,971	\$42.01
Forfeited	(2,273)	\$31.56	—	\$—
Balance, end of period	1,710,698	\$42.02	1,712,971	\$42.01
Units exercisable at the end of the period	1,710,698	\$42.02	1,640,098	\$42.25

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

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

For the three months ended March 31, 2025, Allied recorded a unit-based compensation expense of \$5 (March 31, 2024 - \$58) in general and administrative expense in the Unaudited Condensed Consolidated Statements of Loss and Comprehensive Loss.

(b) *Restricted Unit Plan*

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

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

	THREE MONTHS ENDED	YEAR ENDED
	MARCH 31, 2025	DECEMBER 31, 2024
Restricted Units, beginning of period	310,435	294,254
Granted	119,078	98,183
Released	(33,385)	(82,002)
Restricted Units, end of period	396,128	310,435

For the three months ended March 31, 2025, Allied recorded a unit-based compensation expense of \$959, (March 31, 2024 - \$1,191) in general and administrative expense in the Unaudited Condensed Consolidated Statements of Loss and Comprehensive Loss.

(c) *Performance and Restricted Trust Unit Plan*

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

	THREE MONTHS ENDED	YEAR ENDED
	MARCH 31, 2025	DECEMBER 31, 2024
Plan Units, beginning of period	537,714	371,277
Granted	342,431	252,773
Settled	(48,566)	(113,861)
Forfeited	(38,465)	(35,587)
Distribution equivalents	16,778	63,112
Plan Units, end of period	809,892	537,714

For the three months ended March 31, 2025, Allied recorded a unit-based compensation expense of \$595 (March 31, 2024 - \$1,188), including the mark-to-market adjustment, in general and administrative expense in the Unaudited Condensed Consolidated Statements of Loss and Comprehensive Loss. During the three months ended March 31, 2025, 48,566 Plan Units (March 31, 2024 - 55,648 Plan Units) vested and settled in cash resulting in a decrease of \$816 (March 31, 2024 - \$1,009) to the unit-based compensation liabilities.

(d) *Total Return Swap*

On March 28, 2024, Allied entered into a cash-settled total return swap (“TRS”) 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 Unaudited Condensed 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. On March 31, 2025, Allied fully settled the total return swap with a cash payment of \$680. On March 19, 2025, Allied entered into a new cash-settled total return swap for 750,000 Units, which was effective March 28, 2025.

For the three months ended March 31, 2025, Allied recorded a unit-based compensation expense of \$390 (March 31, 2024 - \$nil), including the mark-to-market expense of \$567 (March 31, 2024 - \$nil).

18. RENTAL REVENUE

Rental revenue includes the following:

	THREE MONTHS ENDED	
	MARCH 31, 2025	MARCH 31, 2024
Rental revenue ⁽¹⁾	\$70,987	\$66,581
Tax and insurance recoveries	28,485	28,676
Miscellaneous revenue ⁽²⁾	7,601	7,952
Operating cost recoveries	43,563	40,368
Total rental revenue	\$150,636	\$143,577

(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 is as follows:

	REMAINING 2025	2026	2027	2028	2029	THEREAFTER	TOTAL
Future minimum rental income	\$234,988	\$291,152	\$258,934	\$230,685	\$205,938	\$754,280	\$1,975,977

19. GENERAL AND ADMINISTRATIVE EXPENSES

	THREE MONTHS ENDED	
	MARCH 31, 2025	MARCH 31, 2024
Salaries and benefits ⁽¹⁾	\$5,214	\$5,155
Professional and trustee fees	2,049	2,350
Office and general expenses	1,367	1,427
	\$8,630	\$8,932
Capitalized to qualifying investment properties	(1,924)	(2,434)
Total general and administrative expenses	\$6,706	\$6,498

(1) For the three months ended March 31, 2025, salaries and benefits expenses includes a fair value expense of \$423 (March 31, 2024 - recovery of \$389) on unit-based compensation plans.

20. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents include the following components:

	MARCH 31, 2025	DECEMBER 31, 2024
Cash	\$14,782	\$73,778
Short-term deposits	142	140
Total cash and cash equivalents	\$14,924	\$73,918

The following summarizes supplemental cash flow information in operating activities:

	THREE MONTHS ENDED	
	MARCH 31, 2025	MARCH 31, 2024
Supplemental		
Interest paid on debt (including capitalized interest and financing prepayment costs (note 11))	\$54,782	\$49,851

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

	THREE MONTHS ENDED	
	MARCH 31, 2025	MARCH 31, 2024
Net change in accounts receivable, prepaid expenses and deposits	\$(15,115)	\$(20,256)
Net change in loans and notes receivable	(20,235)	(30,866)
Net change in accounts payable and other liabilities	(23,857)	(87,231)
Other working capital changes	29,507	114,231
Change in non-cash operating items	\$(29,700)	\$(24,122)

21. JOINT OPERATIONS

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

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

PROPERTIES	LOCATION	CURRENT STATUS	OWNERSHIP	
			MARCH 31, 2025	DECEMBER 31, 2024
642 King W	Toronto, ON	Rental Property	50%	50%
Breithaupt Block	Kitchener, ON	Rental Property	50%	50%
College & Manning ⁽¹⁾	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%
Calgary House ⁽²⁾	Calgary, AB	Rental Property	50%	50%

(1) 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.

(2) Prior to December 19, 2024, Allied accounted for its interest in TELUS Sky through an equity accounted investment (note 7).

	MARCH 31, 2025	DECEMBER 31, 2024
Total assets	\$2,028,648	\$2,011,911
Total liabilities	\$611,439	\$606,422

	THREE MONTHS ENDED	
	MARCH 31, 2025	MARCH 31, 2024 ⁽¹⁾
Revenue	\$26,109	\$24,055
Expenses	(12,663)	(11,636)
Income before fair value adjustment on investment properties	\$13,446	\$12,419
Fair value loss on investment properties	(5,635)	(31,195)
Net income (loss)	\$7,811	\$(18,776)

(1) Includes Allied's 50% interest in Adelaide & Duncan prior to April 1, 2024. Allied acquired an incremental 50% interest in Adelaide & Duncan thereafter in 2024, bringing its ownership in Adelaide & Duncan to 100%.

22. 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.

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

The following tables present a reconciliation of operating income to net loss and comprehensive loss for the three months ended March 31, 2025, and 2024.

SEGMENTED UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

THREE MONTHS ENDED MARCH 31, 2025	MONTRÉAL	TORONTO & KITCHENER	CALGARY & EDMONTON	VANCOUVER	JOINT VENTURE (THE TELUS SKY PARTNERSHIP)	TOTAL
Rental revenue	\$49,339	\$74,603	\$9,300	\$17,394	N/A	\$150,636
Property operating costs	(26,455)	(31,823)	(5,117)	(6,006)	N/A	(69,401)
Operating income	\$22,884	\$42,780	\$4,183	\$11,388	N/A	\$81,235
Interest income						10,095
Interest expense						(30,684)
General and administrative expenses						(6,706)
Condominium marketing expenses						(8)
Amortization of other assets						(373)
Net income from joint venture						—
Fair value loss on investment properties and investment properties held for sale						(164,099)
Fair value gain on Exchangeable LP Units						8,975
Fair value loss on derivative instruments						(6,095)
Net loss and comprehensive loss						\$(107,660)

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

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

(2) Prior to December 19, 2024, Allied accounted for its interest in TELUS Sky through an equity accounted investment (note 7). 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.

23. 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.

24. 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.

On December 19, 2024, Allied acquired a 50% undivided interest in Calgary House from the TELUS Sky Partnership joint venture. This acquisition increased Allied's ownership by one-sixth in Calgary House 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 7).

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:

	THREE MONTHS ENDED	
	MARCH 31, 2025	MARCH 31, 2024
Salary, bonus and other short-term employee benefits	\$1,223	\$1,101
Unit-based compensation	1,376	1,449
Total compensation for key management personnel	\$2,599	\$2,550

25. RISK MANAGEMENT

(a) *Capital management*

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

Various debt, equity and earnings distributions ratios are used to monitor capital adequacy requirements. For debt management, debt to gross book value and fair value, debt average term to maturity, and variable debt as a percentage of debt are the primary ratios used in capital management. The Declaration of Trust requires Allied to maintain debt to gross book value, as defined by the Declaration of Trust, of less than 60% (65% including convertible debentures, if any). As at March 31, 2025, the debt to gross book value ratio was 42.9% (December 31, 2024 - 41.7%).

Allied has certain key financial covenants in its mortgages, Unsecured Debentures, Unsecured Facility and Unsecured Term Loans. The key financial covenants include debt service ratios and leverage ratios, as defined in the respective agreements. These ratios are evaluated by Allied on an ongoing basis to ensure compliance with the agreements. Allied was in compliance with each of the key financial covenants under these agreements as at March 31, 2025.

(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 Allied utilizes additional floating rate debt under the Unsecured Facility in its refinancing, Allied will be further 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.

As at March 31, 2025, 98.3% of Allied's debt is at a fixed rate (December 31, 2024 - 94.3%). This fixed-rate debt is inclusive of variable-rate debt that has been swapped.

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 fixed-rate debt that is due within one year, which is subject to interest rate risk upon refinancing, and variable-rate debt that has not been swapped to a fixed rate as at the reporting date. All other variables are held constant.

CHANGE IN INTEREST RATE OF		-1.0%	+1.0%
AS AT MARCH 31, 2025	CARRYING AMOUNT	INCOME IMPACT	INCOME IMPACT
Construction loans payable ⁽¹⁾	\$186,275	\$1,863	\$(1,863)
Mortgages payable	\$6,524	\$65	\$(65)
Unsecured Term Loans	\$650,000	\$6,500	\$(6,500)
Unsecured Debentures	\$600,000	\$6,000	\$(6,000)

(1) Includes variable rate construction loans of \$5,990 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. 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 MARCH 31, 2025	CARRYING AMOUNT	INCOME IMPACT	INCOME IMPACT
Unit-based compensation liabilities (notes 13 and 17(c))	\$2,291	\$810	\$(810)
Exchangeable LP Units (note 16)	\$193,552	\$11,809	\$(11,809)
Total return swap derivative liabilities (notes 13 and 17(d))	\$192	\$(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 March 31, 2025, Allied had \$433,082 outstanding in loans receivable (December 31, 2024 - \$412,317) and \$13,730 outstanding in notes receivable (December 31, 2024 - \$14,260). In the event of a large commercial real estate market correction, the fair market value of an underlying property may be unable to support the loan value. Allied mitigates this risk by obtaining corporate guarantees and/or registered mortgage charges and assignment of leases, performing credit checks on potential borrowers, monitoring the financial and operating performance of borrowers, monitoring the status of development projects and ensuring interest payments are made on time. The expected credit losses estimated by Management, giving consideration to the factors above, as at March 31, 2025, are \$nil (December 31, 2024 - \$nil) (note 8).

Credit risk from user receivables arises from the possibility that users may experience financial difficulty and be unable to fulfill their lease commitments, resulting in Allied incurring a financial loss. Allied manages credit risk to mitigate exposure to financial loss by staggering lease maturities, diversifying revenue sources over a large user base, ensuring no individual user contributes a significant portion of Allied's revenues and conducting credit reviews of new users. The expected credit losses estimated by Management at March 31, 2025, are \$11,744 (December 31, 2024 - \$11,569) (note 10 (a)).

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

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

	MARCH 31, 2025	DECEMBER 31, 2024
Less than 30 days	\$3,513	\$3,559
30 to 60 days	2,114	1,477
More than 60 days	10,343	11,075
Total	\$15,970	\$16,111

(e) *Liquidity risk*

Liquidity risk arises from the possibility of not having sufficient capital available to fund ongoing operations or the ability to refinance or meet obligations as they come due. Mitigation of liquidity risk is also managed through credit risk as discussed above. A portion of Allied's assets have been pledged as security under the related mortgages and other security agreements. Contractual interest rates on the mortgages payable are between 3.59% and 5.25% for March 31, 2025 (December 31, 2024 - 3.59% and 5.25%). There were no variable rate mortgages payable as at March 31, 2025, and December 31, 2024.

Allied entered into interest rate derivative contracts to limit its exposure to fluctuations in interest rates on \$879,637 of its variable rate unsecured term loans, construction loans and Unsecured Facility (December 31, 2024 - \$870,825). Gains or losses arising from the change in fair values of the interest rate derivative contracts are recognized in the Unaudited Condensed Consolidated Statements of Loss and Comprehensive Loss. For the three months ended March 31, 2025, Allied recognized as part of the change in fair value adjustment on derivative instruments a fair value loss of \$6,095 (March 31, 2024 - fair value gain of \$7,148).

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 Unaudited Condensed Consolidated Statements of Loss and Comprehensive Loss. For the three months ended March 31, 2025, Allied recognized as part of the general and administrative expenses a fair value loss of \$567 (March 31, 2024 - \$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:

	REMAINING 2025	2026	2027	2028	2029	THEREAFTER	TOTAL
Mortgages payable	\$20,550	\$47,764	\$75,654	\$37,401	\$113,685	\$233,846	\$528,900
Construction loans payable	123,893	102,628	—	—	—	—	226,521
Unsecured Facility	3,178	4,192	85,871	—	—	—	93,241
Unsecured Debentures	60,708	697,506	387,659	628,293	798,943	944,922	3,518,031
Unsecured Term Loans	417,497	250,359	—	—	—	—	667,856
Total	\$625,826	\$1,102,449	\$549,184	\$665,694	\$912,628	\$1,178,768	\$5,034,549

26. COMMITMENTS AND CONTINGENCIES

Allied has entered into commitments relating to development and upgrade activity. The commitments as at March 31, 2025, were \$134,433 (December 31, 2024 - \$131,338).

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

Allied, through a financial intermediary, has issued letters of credit in the amount of \$19,875 as at March 31, 2025 (December 31, 2024 - \$20,304).

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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HEAD OFFICE

134 Peter Street, Suite 1700
Toronto, Ontario M5V 2H2
T. 416.977.9002 | F. 416.306.8704

STOCK EXCHANGE LISTING AND SYMBOL

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Deloitte LLP

TRANSFER AGENT & REGISTRAR

TSX Trust Company
P.O. Box 700, Postal Station B
Montréal, Quebec H3B 3K3
T. 1.800.387.0825 | F. 1.888.249.6189
E-mail: shareholderinquiries@tmx.com
Website: www.tsxtrust.com

INVESTOR RELATIONS

T. 416.977.9002
Email: info@alliedreit.com
Website: www.alliedreit.com

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