

Allied Announces First-Quarter Results

- Q1 results in line with our expectations
 - New leasing pipeline increased by 36%
 - Disposition program on track
 - Deleveraging on track
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TORONTO, APRIL 29, 2026

Allied Properties Real Estate Investment Trust (“Allied”) (TSX: “AP.UN”) today announced results for the three months ended March 31, 2026.

“Our first-quarter results were in line with the expectations we set at year-end, reflecting progress on our action plan,” said Allied President and CEO Cecilia Williams. “Our portfolio continues to demonstrate resilience and relevance, positioning us to serve high-quality users. We’re focused on leasing execution, disciplined capital allocation and deleveraging to deliver on our three-year targets.”

Q1 2026 HIGHLIGHTS

Allied’s first-quarter results were in line with expectations and reflected continued execution of its strategic priorities.

Key items:

- Occupied and leased area of 85.0% and 87.1%, respectively, in line with our expectations.
- Rental revenue of \$144 million and operating income of \$70 million, in line with our expectations.
- Delivered 323,632 square feet of new leasing activity in the rental portfolio in Q1 2026.
- Debt to EBITDA is down to 12.3x from the previous quarter of 12.9x, in line with our expectations.
- Of the -\$500 million disposition pipeline, \$46 million dispositions closed in Q1 2026 and the remaining assets are in various stages of marketing.
- Subsequent to quarter-end, Allied went firm on the disposition of (i) eight properties in Toronto for total expected proceeds of \$123 million and (ii) one property in Montréal for total expected proceeds of \$78 million, the latter being subject to Competition Act approval. These, along with interest in other non-core properties, give Allied confidence that the \$500 million disposition target is attainable.

OUTLOOK

Allied updated its three-year outlook for one item in 2026. Capital expenditures are expected to be higher in 2026, in the range of \$40 million to \$50 million, due to the higher construction costs to complete at KING Toronto. All other targeted metrics for 2026-2028 remain within the previously communicated ranges.

The table below details management's outlook for year-end 2026:

METRIC	ACTUALS	PREVIOUSLY PUBLISHED	REVISED
	THREE MONTHS ENDED MARCH 31, 2026	2026 OUTLOOK	2026 OUTLOOK
Occupied area by year-end	85.0%	84% to 86% ⁽¹⁾	On track - no change
NOI*	\$76.5 million	\$310 million to \$320 million	On track - no change
Growth/(decline) in Same Asset NOI* (rental portfolio)	(10.4)%	(5.5)% to (6.5)%	On track - no change
FFO* ⁽²⁾	\$47.9 million	\$185 million to \$200 million ⁽³⁾	On track - no change
Interest expense ⁽⁴⁾	\$39.4 million	\$145 million to \$155 million	On track - no change
Capital expenditures	\$67.5 million	\$180 million to \$190 million (development, residential inventory, recurring rental portfolio)	\$220 million to \$240 million (development, residential inventory, recurring rental portfolio)
Non-core, low-yielding property dispositions	\$46 million	~ \$500 million aggregate gross proceeds	On track - no change
Net debt to EBITDA ⁽⁵⁾	12.3x	Mid-11x range	On track - no change

(1) -82% at the end of Q2 due to non-renewals.

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

(3) This includes \$20 million of interest income from loans receivable on KING Toronto and 150 West Georgia.

(4) Interest expense before capitalized interest and excluding distributions on Exchangeable LP Units is expected to be \$175 million to \$185 million.

(5) Net debt as a multiple of Annualized Adjusted EBITDA* by year-end.

*This is a non-GAAP measure. Refer to the Non-GAAP Measures section below.

Q1 2026 RESULTS

OPERATIONS

At the end of Q1 2026, Allied's occupied and leased area was 85.0% and 87.1%, respectively. This is modestly ahead of our expectations due to earlier occupancy from lease-up and delayed non-renewals.

At the end of Q1 2026, space available for sub-lease in Allied's portfolio represented 2.4% of GLA (351,170 square feet).

Allied leased a total of 529,250 square feet of GLA in Q1 2026, 518,556 square feet in its rental portfolio and 10,694 square feet in its development portfolio. Of the 518,556 square feet Allied leased in its rental portfolio, 210,989 square feet were vacant at the beginning of the year, 121,482 square feet matured in the period and 186,085 square feet represent future maturities. Including relocations and early renewals related to maturities in Q1 2026, Allied leased 62.9% of the expiring GLA. Rental rates on renewal increased by 1.2% ending-to-starting base rent and 7.7% average-to-average base rent, in line with expectations.

133,020 square feet of space leased in Q1 2026 involved expansion by existing users. 190,612 square feet of space leased in Q1 2026 involved new users to the portfolio. Allied continues to see strong demand from existing users for expansion space.

Allied's total leasing pipeline including leasing and renewals increased 20% since the beginning of the year and our new leasing pipeline increased 36%.

PROPERTY DISPOSITIONS

Allied has a disposition pipeline of -\$500 million and continues to evaluate additional properties for sale to support deleveraging objectives and optimize the portfolio composition.

In Q1 2026, of the -\$500 million pipeline, Allied completed the sale of four properties, generating total gross proceeds of \$46 million. The remaining pipeline of -\$454 million includes two substantial rental-residential assets and is at various stages of marketing, with dispositions targeted to close by year-end 2026.

In addition, Allied has identified other non-core properties for disposition to support deleveraging efforts and optimize the portfolio composition. Nine properties are firm for total expected proceeds of approximately \$201 million and are expected to close in Q2 2026.

COMPLETION OF DEVELOPMENT PIPELINE

The final committed development, KING Toronto at 489-539 King Street West, will comprise 440 condominium units of which 92% are pre-sold, 46,000 square feet of office space, and 122,000 square feet of retail space. Completion of the commercial and residential components is expected in the second half of 2027. Whole Foods Market is the anchor tenant for the retail portion and is committed to occupying 32,878 square feet in August 2027. With the project encountering various complexities, Allied is taking proactive steps and now fully oversees onsite construction management.

Allied recorded an expected credit loss of \$44 million in relation to the loan receivable and impairment of residential inventory of \$48 million on KING Toronto in Q1 2026. This reflects the higher estimated costs to complete and the delay in construction completion of the residential component.

Management does not intend to initiate any new development projects in the foreseeable future.

FINANCIAL MEASURES

The following tables summarize GAAP financial measures for the three months ended March 31, 2026, and 2025:

(in thousands except for % amounts)	FOR THE THREE MONTHS ENDED MARCH 31			
	2026	2025	CHANGE	% CHANGE
Rental revenue	\$143,931	\$150,636	\$(6,705)	(4.5)%
Property operating costs	\$(74,322)	\$(69,401)	\$(4,921)	(7.1)%
Operating income	\$69,609	\$81,235	\$(11,626)	(14.3)%
Interest income	\$10,247	\$10,095	\$152	1.5%
Interest expense	\$(39,437)	\$(30,684)	\$(8,753)	(28.5)%
General and administrative expenses	\$(6,308)	\$(6,283)	\$(25)	(0.4)%
Condominium marketing expenses	\$(34)	\$(8)	\$(26)	(325.0)%
Amortization of other assets	\$(464)	\$(373)	\$(91)	(24.4)%
Transaction costs	\$(1,879)	\$—	\$(1,879)	(100.0)%
Mark-to-market expense on unit-based compensation	\$(2,397)	\$(423)	\$(1,974)	(466.7)%
Fair value loss on investment properties and investment properties held for sale	\$(134,357)	\$(164,099)	\$29,742	18.1%
Fair value gain on Exchangeable LP Units	\$49,480	\$8,975	\$40,505	451.3%
Fair value gain (loss) on derivative instruments	\$911	\$(6,095)	\$7,006	114.9%
Expected credit loss on loans and notes receivable	\$(44,000)	\$—	\$(44,000)	(100.0)%
Impairment of residential inventory	\$(48,065)	\$—	\$(48,065)	(100.0)%
Net loss and comprehensive loss⁽¹⁾	\$(146,694)	\$(107,660)	\$(39,034)	(36.3)%

(1) For the three months ended March 31, 2026, includes interest income on loans receivable on KING Toronto and 150 West Georgia of 9,583 (March 31, 2025 - \$8,527). An expected credit loss on loans receivable of \$44,000 (March 31, 2025 - \$nil) was recognized for the three months ended March 31, 2026.

Operating income reflects non-renewals, dispositions, and decapitalization of operating costs as space becomes ready for its intended use.

Interest expense reflects lower capitalized interest from the completion of development and upgrade projects, and the disposition of properties under development.

Fair value loss on investment properties and investment properties held for sale was due to construction cost increases and delays in the development portfolio, and adjustments to land values in Toronto based on recent sales in the market.

Expected credit loss on loans receivable was recorded in the period to adjust the balance expected to be recovered.

The following table summarizes other financial measures as at March 31, 2026, and 2025:

(in thousands except for per unit and % amounts)	AS AT MARCH 31			
	2026	2025	CHANGE	% CHANGE
Investment properties ⁽¹⁾	\$7,993,164	\$9,322,162	\$(1,328,998)	(14.3)%
Unencumbered investment properties ⁽²⁾	\$7,184,974	\$8,178,802	\$(993,828)	(12.2)%
Total Assets ⁽¹⁾	\$9,018,846	\$10,477,229	\$(1,458,383)	(13.9)%
Cost of PUD as a % of GBV ⁽²⁾	5.5%	8.6%	—	(3.1)%
NAV per unit ⁽³⁾	\$22.90	\$39.99	\$(17.09)	(42.7)%
Debt ⁽¹⁾	\$4,130,291	\$4,475,769	\$(345,478)	(7.7)%
Total indebtedness ratio ⁽²⁾	45.9%	42.9%	—	3.0%
Annualized Adjusted EBITDA ⁽²⁾⁽⁴⁾	\$333,356	\$378,196	\$(44,840)	(11.9)%
Net debt as a multiple of Annualized Adjusted EBITDA ⁽²⁾⁽⁴⁾	12.3x	11.6x	0.7x	—
Interest coverage ratio including interest capitalized and excluding financing prepayment costs - three months trailing ⁽²⁾⁽⁴⁾	1.9x	2.2x	(0.3x)	—
Interest coverage ratio including interest capitalized and excluding financing prepayment costs - twelve months trailing ⁽²⁾⁽⁴⁾	2.0x	2.3x	(0.3x)	—

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

(2) This is a non-GAAP measure. Refer to the Non-GAAP Measures section below.

(3) Net asset value per unit ("NAV per unit") is calculated as total equity plus the value of the 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.

(4) For the three months ended March 31, 2026, includes interest income on loans receivable on KING Toronto and 150 West Georgia of \$9,583 (March 31, 2025 - \$8,527). An expected credit loss on loans receivable of \$44,000 (March 31, 2025 - \$nil) was recognized for the three months ended March 31, 2026.

NON-GAAP MEASURES

Management uses financial measures based on IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "GAAP") and non-GAAP measures to assess Allied's performance. Non-GAAP measures do not have any standardized meaning prescribed under IFRS Accounting Standards, and therefore, should not be construed as alternatives to net income or cash flow from operating activities calculated in accordance with IFRS Accounting Standards. Refer to the Non-GAAP Measures section on page 17 of the MD&A as at March 31, 2026, available on www.sedarplus.ca, for an explanation of the composition of the non-GAAP measures used in this press release and their usefulness for readers in assessing Allied's performance. Such explanation is incorporated by reference herein.

The following table summarizes non-GAAP financial measures for the three months ended March 31, 2026, and 2025:

(in thousands except for per unit and % amounts)	FOR THE THREE MONTHS ENDED MARCH 31			
	2026	2025	CHANGE	% CHANGE
Adjusted EBITDA	\$83,339	\$94,549	\$(11,210)	(11.9)%
Same Asset NOI - rental portfolio	\$73,610	\$82,124	\$(8,514)	(10.4)%
Same Asset NOI - total portfolio	\$74,963	\$85,132	\$(10,169)	(11.9)%
FFO	\$45,457	\$71,084	\$(25,627)	(36.1)%
FFO per unit (diluted)	\$0.274	\$0.509	\$(0.235)	(46.2)%
FFO payout ratio	70.1%	88.5%	—	(18.4)%
AFFO	\$33,654	\$64,825	\$(31,171)	(48.1)%
AFFO per unit (diluted)	\$0.203	\$0.464	\$(0.261)	(56.3)%
AFFO payout ratio	94.7%	97.0%	—	(2.3)%
All amounts below are excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation:				
FFO	\$47,888	\$71,515	\$(23,627)	(33.0)%
FFO per unit (diluted)	\$0.289	\$0.512	\$(0.223)	(43.6)%
FFO payout ratio	66.6%	87.9%	—	(21.3)%
AFFO	\$36,085	\$65,256	\$(29,171)	(44.7)%
AFFO per unit (diluted)	\$0.218	\$0.467	\$(0.249)	(53.3)%
AFFO payout ratio	88.3%	96.4%	—	(8.1)%

The following tables reconcile the non-GAAP measures to the most comparable GAAP measures for the three months ended March 31, 2026, and 2025. These terms do not have any standardized meaning prescribed under IFRS Accounting Standards and may not be comparable to similarly titled measures presented by other publicly traded entities.

The following table reconciles Allied's net loss and comprehensive loss to Adjusted EBITDA, a non-GAAP measure, for the three months ended March 31, 2026, and 2025.

	THREE MONTHS ENDED	
	MARCH 31, 2026	MARCH 31, 2025
Net loss and comprehensive loss for the period ⁽¹⁾	\$(146,694)	\$(107,660)
Interest expense	39,437	30,684
Amortization of other assets	464	373
Amortization of improvement allowances	9,825	9,510
Expected credit loss on loans and notes receivable	44,000	—
Impairment of residential inventory	48,065	—
Transaction costs	1,879	—
Fair value loss on investment properties and investment properties held for sale	134,357	164,099
Fair value gain on Exchangeable LP Units	(49,480)	(8,975)
Fair value (gain) loss on derivative instruments	(911)	6,095
Mark-to-market adjustment on unit-based compensation	2,397	423
Adjusted EBITDA	\$83,339	\$94,549

(1) Includes interest income on loans receivable on KING Toronto and 150 West Georgia of \$9,583 for the three months ended March 31, 2026 (March 31, 2025 - \$8,527).

The following table reconciles operating income to net operating income, a non-GAAP measure, for the three months ended March 31, 2026, and 2025.

	THREE MONTHS ENDED	
	MARCH 31, 2026	MARCH 31, 2025
Operating income, GAAP basis	\$69,609	\$81,235
Amortization of improvement allowances	9,825	9,510
Amortization of straight-line rent	(2,919)	(987)
Total NOI	\$76,515	\$89,758

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

	THREE MONTHS ENDED		CHANGE	
	MARCH 31, 2026	MARCH 31, 2025	\$	%
Rental Portfolio - Same Asset NOI	\$73,610	\$82,124	\$(8,514)	(10.4)%
Assets Held for Sale - Same Asset NOI	761	1,304	(543)	(41.6)
Rental Portfolio and Assets Held for Sale - Same Asset NOI	\$74,371	\$83,428	\$(9,057)	(10.9)%
Development Portfolio - Same Asset NOI	592	1,704	(1,112)	(65.3)
Total Portfolio - Same Asset NOI	\$74,963	\$85,132	\$(10,169)	(11.9)%
Acquisitions	84	—	84	
Dispositions	131	2,835	(2,704)	
Lease terminations	531	72	459	
Development fees and corporate items	806	1,719	(913)	
Total NOI	\$76,515	\$89,758	\$(13,243)	(14.8)%

The following table reconciles Allied's net loss and comprehensive loss to FFO, FFO excluding condominium-related items, financing prepayment costs, transaction costs and the mark-to-market adjustment on unit-based compensation, AFFO, and AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation, which are non-GAAP measures, for the three months ended March 31, 2026, and 2025.

	THREE MONTHS ENDED		
	MARCH 31, 2026	MARCH 31, 2025	CHANGE
Net loss and comprehensive loss ⁽¹⁾	\$(146,694)	\$(107,660)	\$(39,034)
Adjustment to fair value of investment properties and investment properties held for sale	134,357	164,099	(29,742)
Adjustment to fair value of Exchangeable LP Units	(49,480)	(8,975)	(40,505)
Adjustment to fair value of derivative instruments	(911)	6,095	(7,006)
Expected credit loss on loans and notes receivable	44,000	—	44,000
Impairment of residential inventory	48,065	—	48,065
Transaction costs	1,879	—	1,879
Incremental leasing costs	2,186	2,601	(415)
Amortization of improvement allowances	9,825	9,510	315
Amortization of property, plant and equipment ⁽²⁾	104	100	4
Distributions on Exchangeable LP Units	2,126	5,314	(3,188)
FFO	\$45,457	\$71,084	\$(25,627)
Condominium marketing costs	34	8	26
Financing prepayment costs	—	—	—
Mark-to-market adjustment on unit-based compensation	2,397	423	1,974
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$47,888	\$71,515	\$(23,627)
FFO	\$45,457	\$71,084	\$(25,627)
Amortization of straight-line rent	(2,919)	(987)	(1,932)
Regular leasing expenditures	(6,634)	(2,453)	(4,181)
Regular and recoverable maintenance capital expenditures	(536)	(998)	462
Incremental leasing costs (related to regular leasing expenditures)	(1,714)	(1,821)	107
AFFO	\$33,654	\$64,825	\$(31,171)
Condominium marketing costs	34	8	26
Financing prepayment costs	—	—	—
Mark-to-market adjustment on unit-based compensation	2,397	423	1,974
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$36,085	\$65,256	\$(29,171)
Weighted average number of units ⁽³⁾			
Basic and diluted	165,898,461	139,765,128	26,133,333
Per unit - basic and diluted ⁽⁴⁾			
FFO	\$0.274	\$0.509	\$(0.235)
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$0.289	\$0.512	\$(0.223)
AFFO	\$0.203	\$0.464	\$(0.261)
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$0.218	\$0.467	\$(0.249)

	THREE MONTHS ENDED		
	MARCH 31, 2026	MARCH 31, 2025	CHANGE
Payout Ratio			
FFO	70.1%	88.5%	(18.4)%
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	66.6%	87.9%	(21.3)%
AFFO	94.7%	97.0%	(2.3)%
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	88.3%	96.4%	(8.1)%

(1) For the three months ended March 31, 2026, includes interest income and interest income per unit on loans receivable on KING Toronto and 150 West Georgia of \$9,583 and \$0.058 (March 31, 2025 - \$8,527 and \$0.061), respectively. An expected credit loss on loans receivable of \$44,000 (March 31, 2025 - \$nil) was recognized for the three months ended March 31, 2026.

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

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

CONFERENCE CALL

The Company will hold a conference call at 10:00 a.m. (ET) on Thursday, April 30, 2026, to discuss financial results for the quarter ended March 31, 2026.

Participants may access the conference call by dialing 1 (800) 715-9871 or (647) 932-3411, conference ID #2415499. A replay of the call will be available [here](#) or at www.alliedreit.com and will be archived for 90 days.

CAUTIONARY STATEMENTS

This press release may contain forward-looking statements (which includes the Outlook) with respect to Allied, including with respect to its operations, strategy, financial performance and condition, market demand and supply for Allied's properties and market trends, occupancy rates, cash flow growth, the timing and results of the non-core low-yielding property dispositions, the timing for successful execution of the Action Plan and the results of the Action Plan, the Outlook, the timing and completion of the KING Toronto development, no new development projects in the foreseeable future for Allied, the anticipated use of proceeds from property dispositions and the assumptions underlying any of the foregoing. These statements generally can be identified by the use of forward-looking words such as "forecast", "goals", "outlook", "may", "will", "expect", "estimate", "anticipate", "intends", "believe", "assume", "plans" or "continue" or the negative thereof or similar variations. The forward-looking statements in this press release and the Outlook are not guarantees of future results, operations or performance and are based on estimates and assumptions that are subject to risks and uncertainties, including those described under "Risks and Uncertainties" in Allied's Annual MD&A, as updated by quarterly reports, which are available at www.sedarplus.ca. Actual results may differ materially from the Outlook. Those risks and uncertainties include risks associated with availability of cash flow and distributions, timing of property sales and the proceeds therefrom, financing and interest rates, satisfying financial and non-financial covenants, access to capital, general economic conditions and joint arrangements and partnerships, debtor credit risk, credit rating risk, unit-based compensation liabilities, dilution of Unitholders, financial leverage, non-systemic risk associated with the ownership of real estate, competitiveness of the real estate market, the current stage of the cycle for residential condominiums and rental-residential units, reliance on key personnel, unexpected costs or liabilities related to acquisitions, the accuracy and reliability of forward looking financial information, guidance and the Outlook, the Assumptions used in the Outlook are incorrect, lease roll-over risk, user termination and financial stability, development and construction risk, access to capital, valuation risk, general global market, economic and political conditions, cybersecurity, data and privacy risks, taxation risk and changes in legislation, environmental and climate change risk, public health crises, litigation and uninsurable losses. Allied's actual results and performance for future periods, including the timing, extent and success of the Action Plan could differ materially from what is discussed herein. These cautionary statements qualify all forward-looking statements (including the Outlook) attributable to Allied and persons acting on its behalf. All forward-looking statements speak only as of the date of this press release and, except as required by applicable law, Allied has no obligation to update such statements.

ABOUT ALLIED

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

INVESTOR RELATIONS

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