

ALLIED

Quarterly Report September 30, 2026

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Management's Discussion and Analysis of Results of Operations and Financial Condition as at September 30, 2026

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”) relates to Allied’s results of operations and financial condition for the three and nine months ended September 30, 2026. 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 October 28, 2026, and should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto for the three and nine months ended September 30, 2026. The historical results and percentage relationships presented in this MD&A, as well as any trends that may be observed, are not indicative of future operating results 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 13 and 18, 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:

	THREE MONTHS ENDED		NINE MONTHS ENDED		YEAR ENDED
(\$000's except per-square foot, per-unit and financial ratios)	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	DECEMBER 31, 2025
Leased area ⁽¹⁾	86.8%	87.4%	86.8%	87.4%	87.4%
Occupied area ⁽¹⁾	84.9%	84.0%	84.9%	84.0%	85.3%
Average in-place net rent per occupied square foot ⁽¹⁾	25.91	25.19	25.91	25.19	25.23
Retention rate ⁽¹⁾⁽²⁾	73.6%	62.0%	72.6%	69.0%	69.4%
Rent increase on renewal ⁽¹⁾	2.8%	1.5%	1.6%	1.3%	0.5%
Investment properties ⁽³⁾	6,983,586	9,392,358	6,983,586	9,392,358	8,443,045
Unencumbered investment properties ⁽⁴⁾	6,216,445	8,346,998	6,216,445	8,346,998	7,510,485
Total assets ⁽³⁾	8,155,483	10,378,800	8,155,483	10,378,800	9,257,404
Cost of PUD as % of GBV ⁽⁴⁾	5.8%	7.8%	5.8%	7.8%	7.6%
NAV per unit ⁽⁵⁾	18.75	38.05	18.75	38.05	29.87
Debt ⁽³⁾	4,081,202	4,682,121	4,081,202	4,682,121	4,681,763
Total indebtedness ratio ⁽⁴⁾	50.2%	45.2%	50.2%	45.2%	50.7%
Annualized Adjusted EBITDA ⁽⁴⁾⁽⁶⁾	297,364	374,536	321,027	376,687	371,399
Net debt as a multiple of Annualized Adjusted EBITDA ⁽⁴⁾⁽⁶⁾	13.5x	12.3x	12.5x	12.3x	12.3x
Interest coverage ratio including interest capitalized and excluding financing prepayment costs - three months trailing ⁽⁴⁾⁽⁶⁾	1.7x	2.1x	1.7x	2.1x	1.9x
Interest coverage ratio including interest capitalized and excluding financing prepayment costs - twelve months trailing ⁽⁴⁾⁽⁶⁾	1.9x	2.2x	1.9x	2.2x	2.1x
Rental revenue ⁽³⁾	138,117	147,932	422,558	443,613	592,379
Property operating costs ⁽³⁾	(69,701)	(67,205)	(214,743)	(201,701)	(275,415)
Operating income ⁽³⁾	68,416	80,727	207,815	241,912	316,964
Net income (loss) and comprehensive income (loss) ⁽³⁾⁽⁶⁾	21,751	(113,389)	(869,645)	(315,789)	(1,327,532)
Net income excluding fair value adjustments, transaction costs, financing prepayment costs, impairment, severance expense and expected credit loss on loans and notes receivable ⁽⁴⁾⁽⁶⁾	23,104	49,128	88,705	154,796	197,039
Adjusted EBITDA ⁽⁴⁾⁽⁶⁾	74,341	93,634	240,770	282,515	371,399

	THREE MONTHS ENDED		NINE MONTHS ENDED		YEAR ENDED
(\$000's except per-square foot, per-unit and financial ratios)	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	DECEMBER 31, 2025
Same Asset NOI - rental portfolio ⁽⁴⁾	71,102	77,042	207,257	230,997	N/A
Same Asset NOI - total portfolio ⁽⁴⁾	73,690	81,515	217,792	245,563	N/A
FFO ⁽⁴⁾⁽⁶⁾	36,454	63,719	129,431	203,802	264,277
FFO per unit (diluted) ⁽⁴⁾⁽⁶⁾	0.186	0.456	0.696	1.458	1.891
FFO payout ratio ⁽⁴⁾⁽⁶⁾	96.7%	98.7%	79.1%	92.6%	90.4%
All amounts below are excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation ⁽⁴⁾⁽⁶⁾:					
FFO	38,003	65,742	133,030	206,455	265,026
FFO per unit (diluted)	0.194	0.470	0.716	1.477	1.896
FFO payout ratio	92.7%	95.7%	76.9%	91.4%	90.2%
AFFO	21,595	61,152	91,020	190,084	240,572
AFFO per unit (diluted)	0.110	0.438	0.490	1.360	1.721
AFFO payout ratio	163.2%	102.9%	112.5%	99.3%	99.3%

(1) This metric excludes investment properties held for sale based on the 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 44 for further details.

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

(4) This is a non-GAAP measure, as defined on page 13.

(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.

(6) For the three months ended September 30, 2026, includes interest income and interest income per unit on loans receivable on KING Toronto and 150 West Georgia of \$nil and \$nil (September 30, 2025 - \$9,206 and \$0.066), respectively. For the nine months ended September 30, 2026, includes interest income and interest income per unit on loans receivable on KING Toronto and 150 West Georgia of \$16,973 and \$0.091 (September 30, 2025 - \$26,714 and \$0.191), respectively. An expected credit loss on loans receivable of \$nil and \$44,000 (September 30, 2025 - \$nil and \$nil) was recognized for the three and nine months ended September 30, 2026, respectively.

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.

Q3 2026 Operating Results ⁽¹⁾

LEASED AREA	AVERAGE IN-PLACE NET RENT PER OCCUPIED SQUARE FOOT	RENT INCREASE ON RENEWAL	WEIGHTED AVERAGE REMAINING LEASE TERM IN YEARS
86.8%	\$25.91	2.8%	5.7
OCCUPIED AREA	2025: \$25.19		
84.9%	↑ 2.9% from Q3 2025		

Q3 2026 Financial Results

SAME ASSET NOI - RENTAL PORTFOLIO ⁽²⁾	FFO PER UNIT ⁽²⁾⁽³⁾	AFFO PER UNIT ⁽²⁾⁽³⁾
↓ 7.7%	\$0.194	\$0.110
from Q3 2025	↓ 58.7% from Q3 2025	↓ 74.9% from Q3 2025

Q3 2026 Balance Sheet

LIQUIDITY ⁽⁴⁾	UNENCUMBERED INVESTMENT PROPERTIES ⁽²⁾	NET DEBT AS A MULTIPLE OF ANNUALIZED ADJUSTED EBITDA ⁽²⁾	TOTAL INDEBTEDNESS RATIO ⁽²⁾	INTEREST COVERAGE RATIO ⁽²⁾⁽⁵⁾
\$633.1M	\$6.2B	13.5x	50.2%	1.7x
\$733.1M including accordion	89.0% of investment properties			

ESG Results ⁽⁶⁾

2026 GRESB SCORE FOR STANDING INVESTMENTS

87/100 Consistent with 2025

(1) These metrics are for the rental portfolio, which excludes the investment properties held for sale, properties under development and properties held for future development based on the classification at the end of the period.

(2) This is a non-GAAP measure, as defined on page 13.

(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 September 30, 2026 and excludes the minimum project liquidity amount Allied has covenanted to maintain for the KING Toronto construction loan.

(5) This interest coverage ratio, including capitalized interest, is for the three months trailing period.

(6) For more information, refer to Allied's 2025 Environmental, Social and Governance Report published on June 10, 2026, available on www.alliedreit.com.

SUMMARY OF RENTAL PROPERTIES

170 Rental Properties valued at \$6.7B

(Not including Properties Under Development and Properties Held for Future Development valued at \$0.3B and Investment Properties Held for Sale valued at \$0.4B)

TOTAL RENTAL
PORTFOLIO GLA

13.8M_{SF}

VANCOUVER

1.1M

SF

ALLIED LEASED	89.4%
ALLIED OCCUPANCY	85.8%
MARKET OCCUPANCY ⁽¹⁾	89.1%
PROPERTIES	10
EMPLOYEES	26

MONTRÉAL

5.6M

SF

ALLIED LEASED	88.6%
ALLIED OCCUPANCY	87.8%
MARKET OCCUPANCY ⁽¹⁾	84.6%
PROPERTIES	23
EMPLOYEES	58

CALGARY

1.2M

SF

ALLIED LEASED	81.1%
ALLIED OCCUPANCY	80.9%
MARKET OCCUPANCY ⁽¹⁾	78.7%
PROPERTIES	30
EMPLOYEES	23

TORONTO

5.2M

SF

ALLIED LEASED	86.7%
ALLIED OCCUPANCY	83.4%
MARKET OCCUPANCY ⁽¹⁾	80.0%
PROPERTIES	92
ANCILLARY PARKING FACILITIES	8
EMPLOYEES	198

KITCHENER

0.7M

SF

ALLIED LEASED	78.1%
ALLIED OCCUPANCY	77.9%
MARKET OCCUPANCY ⁽¹⁾	60.3%
PROPERTIES	6
ANCILLARY PARKING FACILITY	1
EMPLOYEES	4

⁽¹⁾ Source: cbre.ca, CBRE Office Figures reports for Allied's sub-markets.

BUSINESS OVERVIEW AND STRATEGY

Allied is a leading owner-operator of distinctive urban workspace in Canada's major cities. Our objective is to create long-term value by improving portfolio productivity, allocating capital with discipline and maintaining financial flexibility throughout market cycles. Our portfolio is concentrated in vibrant, amenity-rich mixed-use neighbourhoods where long-term demand is supported by transit accessibility, diverse employment and limited opportunity for new supply.

Allied's investment philosophy has been consistent since its inception: own and operate distinctive buildings in Canada's largest cities and continually improve them to meet the evolving needs of users. We believe thoughtful design, strong locations and humanistic operations create better workplaces, stronger tenant relationships and better long-term investment returns.

Allied's long-term vision and mission remain unchanged. Management's focus is on executing that mission through disciplined capital allocation, active asset management and operational excellence.

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.* It is supported 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.*

BUSINESS ENVIRONMENT AND OUTLOOK

BUSINESS ENVIRONMENT

Office markets continue to recover unevenly across Canada. Demand continues to be strongest for well-located, high-quality buildings that provide flexibility, transit access and attractive workplace experiences. Leasing decisions continue to be made over longer timelines than in the past.

Accordingly, management remains focused on the following controllable factors:

- Increase leasing and occupancy;
- Improve portfolio productivity;
- Reduce debt;
- Recycle capital to optimize the portfolio composition; and
- Complete developments.

OUTLOOK

Allied's revised 2026 outlook reflects improving leasing activity alongside its priority of strengthening the balance sheet. A meaningful part of the near-term earnings reduction reflects actions Allied is taking to reposition the balance sheet, including a larger disposition program, the timing of those transactions, and the accounting impact of decapitalization.

The key changes are outlined below:

- **Occupancy:** Increasing the year-end occupied area outlook to 86.0%-86.5%, reflecting stronger-than-expected leasing. Most of the associated NOI and cash flow benefit is expected in 2027 as rents commence.
- **NOI and FFO:** Revising the NOI outlook to \$300 million-\$305 million and the FFO outlook to \$170 million-\$175 million. The reduction in the FFO outlook reflects approximately \$9 million from the increased volume and timing of dispositions, \$3 million from lower interest income and \$3 million from reduced capitalization of interest and operating expenses. The Same Asset NOI outlook remains unchanged at a decline of 8.0%-9.0%.
- **Interest expense:** Increasing the outlook to \$155 million-\$165 million, reflecting later-than-anticipated disposition closings and lower interest capitalization.
- **Dispositions:** Increasing the outlook to \$650 million-\$700 million of aggregate gross proceeds, from approximately \$500 million, with proceeds directed to debt repayment.
- **Leverage:** Maintaining the year-end net debt to EBITDA target in the mid-11x range. This target assumes no repayment of the loan secured by 150 West Georgia in 2026.

The table below details management's revised 2026 outlook:

METRIC	ACTUALS	Q2 REVISED	CURRENT Q3 REVISED
	NINE MONTHS ENDED SEPTEMBER 30, 2026	2026 OUTLOOK	2026 OUTLOOK
Occupied area by year-end	84.9%	84% to 86%	86.0% to 86.5%
NOI ⁽¹⁾	\$228.8 million	\$310 million to \$320 million	\$300 million to \$305 million
Growth/(decline) in Same Asset NOI ⁽¹⁾ (rental portfolio)	(10.3)%	(8.0)% to (9.0)%	On track - no change
FFO ⁽¹⁾⁽²⁾	\$133.0 million	\$185 million to \$200 million ⁽³⁾	\$170 million to \$175 million
Interest expense	\$119.4 million	\$145 million to \$155 million	\$155 million to \$165 million ⁽⁴⁾
Capital expenditures	\$168.0 million	\$220 million to \$240 million (development, residential inventory, recurring rental portfolio)	On track - no change
Dispositions	\$321.0 million	~\$500 million aggregate gross proceeds	~\$650 million to \$700 million aggregate gross proceeds
Net debt to EBITDA ⁽¹⁾⁽⁵⁾	12.5x	Mid-11x range	On track - no change

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

(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 \$170 million to \$175 million.

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

ESG considerations are integrated into Allied’s investment, operating and capital allocation decisions.

Detailed ESG disclosures are contained in Allied’s 2025 ESG Report published on June 10, 2026, available on www.alliedreit.com.

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
Funds from Operations (“FFO”) ^(a)	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, 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, expected credit loss on loans and notes receivable, severance expense, amortization of improvement allowances and amortization of property, plant and equipment which relates to owner-occupied property. The expected credit loss on loans and notes receivable, severance expense, and impairment of residential inventory adjustments are not specifically contemplated by REALPAC’s guidance and reflect management’s judgment that they do not represent recurring operating performance. 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

NON-GAAP MEASURE	DEFINITION	RECONCILIATION
FFO excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation ⁽¹⁾	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
Adjusted Funds from Operations ("AFFO") ⁽¹⁾	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 ⁽¹⁾	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, impairment, severance expense and expected credit loss on loans and notes receivable ⁽²⁾	Net income excluding fair value adjustments, transaction costs, financing prepayment costs, impairment, severance expense and expected credit loss on loans and notes receivable 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, impairment, severance expense and expected credit loss on loans and notes receivable 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, impairment, severance expense and expected credit loss on loans and notes receivable are non-recurring in nature.	Section II - Operations

NON-GAAP MEASURE	DEFINITION	RECONCILIATION
Net Rental Income ("NRI")	NRI is a non-GAAP financial measure defined as rental revenue less property operating costs. 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. The most directly comparable GAAP 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
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. 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. 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.	N/A
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. 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, divided by the GBV at period-end. It excludes properties held for future development. Management believes this is a useful metric in assessing development risk. Allied has a limit of 15% as outlined in its Declaration of Trust.	N/A

NON-GAAP MEASURE	DEFINITION	RECONCILIATION
Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”) ⁽¹⁾ and Annualized Adjusted EBITDA ⁽¹⁾	Adjusted EBITDA is a non-GAAP measure comprised of earnings before interest expense, income taxes, depreciation and amortization expense (including amortization of improvement allowances), impairment, severance expense, expected credit loss on loans and notes receivable, transaction costs, 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 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
Net debt as a multiple of Annualized Adjusted EBITDA ⁽¹⁾	Net debt as a multiple of Annualized Adjusted EBITDA is a non-GAAP measure of Allied’s financial leverage and is defined as net debt divided by Annualized Adjusted EBITDA. This measure indicates the number of years required for Allied’s Annualized Adjusted EBITDA to repay all outstanding debts, taking into consideration the cash on hand to decrease debt. Management considers this metric a useful measure for evaluating Allied’s ability to service its debt.	N/A
FFO and AFFO Payout Ratios ⁽¹⁾ and FFO and AFFO Payout Ratios excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation ⁽¹⁾	FFO and AFFO payout ratios and FFO and AFFO payout ratios excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation are non-GAAP measures. These payout ratios are calculated by dividing the actual distributions declared (excluding any special distributions declared in cash or Units, 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. Management considers these metrics a useful way to evaluate Allied’s distribution paying capacity.	N/A

NON-GAAP MEASURE	DEFINITION	RECONCILIATION
Interest Coverage Ratio ⁽¹⁾ and Interest Coverage Ratio including interest capitalized ⁽¹⁾ and Interest Coverage Ratio including interest capitalized and excluding financing prepayment costs ⁽¹⁾	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. Interest coverage ratio is defined as Adjusted EBITDA divided by interest expense excluding the distributions on Exchangeable LP Units which are recognized as interest expense. Interest coverage ratio including interest capitalized is defined as Adjusted EBITDA divided by interest expense with interest capitalized included. The interest expense excludes the distributions on the Exchangeable LP Units, which are recognized as interest expense. Interest coverage ratio including interest capitalized and excluding financing prepayment costs is defined as Adjusted EBITDA divided by interest expense with interest capitalized included and financing prepayment costs excluded. The interest expense excludes the distributions on Exchangeable LP Units which are recognized as interest expense. Management considers these metrics useful as they indicate Allied's ability to meet its interest cost obligations.	N/A
Total Indebtedness Ratio or Total Debt Ratio	Total indebtedness ratio or total debt ratio is a non-GAAP measure of Allied's financial leverage, which is calculated by taking debt plus outstanding letters of credit divided by total assets. Management considers this metric useful as it indicates Allied's ability to meet its debt obligations.	Section V - Asset Profile

(1) The composition of this non-GAAP financial measure changed from the prior period to adjust for severance expense as it is non-recurring.

(2) The label and composition of this non-GAAP financial measure changed from the prior period to adjust for severance expense as it is non-recurring.

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 the Outlook, economic conditions, market conditions, market trends, Allied's growth or financial targets to achieve in 2026, 2027 and 2028, statements with respect to management of Allied'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", "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" 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. Forward-looking statements in this MD&A include, but are not limited to, statements regarding; market recovery in 2026 and beyond; increases to Allied's annual NOI due to development activities; Allied's ability to maintain its distribution commitment at current levels; the anticipated use of savings from the reduction of distributions; expected timing and results of the non-core property dispositions in its portfolio and the closings thereof; anticipated use of proceeds from the non-core property dispositions; 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; expected extension on the loan receivable related to the KING Toronto project; completion of construction and lease-up in connection with Properties Under Development ("PUDs"); the creation of future value; expected occupied area; estimated gross leasable area ("GLA"), expected same asset NOI; expected NOI; expected FFO per unit and AFFO per unit; expected timing and amount on the repayment of the 150 West Georgia loan receivable; expected credit losses on loans and notes receivable; expected net debt to annualized adjusted EBITDA; expected interest expense; expected general and administrative expenses; expected capital expenditures; timing of the KING Toronto condominiums closing and the forecasted proceeds; KING Toronto loan receivable's settlement through a partial cash payment and conversion to equity in the commercial component resulting in Allied owning 100%; 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; estimated GLA on completion of PUDs; anticipated rental rates; lease up of our intensification projects; timing of PUDs transferring to the rental portfolio; targets for LEED and/or BOMA certification; targets on its GHG emissions; 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 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, availability of cash flow and distributions, the reduction of distributions and its impact on the market price of Allied's securities, the anticipated use of savings from the reduction of distributions, Allied's ability to increase distributions to previous levels in the future, uncertainty regarding whether distributions will be increased, decreased or suspended in the future, execution of the Action Plan and Financial Outlook, financing, covenant and interest rate risk, access to capital, general and adverse global market, economic and political conditions including tariffs and other trade protection measures and the effect an economic slowdown may have on market conditions and lease rates in the jurisdictions in which we operate, development and construction, credit risk on loans receivable, the financial condition of residential tenants and condominium purchasers, demand for condominiums and rental residential, condominium purchasers defaulting on their obligations to close, unexpected costs or liabilities related to acquisitions, lease roll-over, user terminations and financial stability, competition for users, unit-based compensation liabilities, potential volatility of Unit prices, credit ratings, dilution from issuance or future sales of securities, reliance on key personnel, valuation of properties, unexpected or ongoing geopolitical events, data and privacy, cybersecurity, taxation and legislative changes, general uninsured losses, environmental and climate change, public health crises and litigation. 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 October 28, 2026, 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 tables contain the unaudited condensed consolidated statements of income (loss) and comprehensive income (loss) for the three and nine months ended September 30, 2026, and September 30, 2025.

	THREE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Rental revenue	\$138,117	\$147,932
Property operating costs	(69,701)	(67,205)
Operating income	\$68,416	\$80,727
Interest income	539	9,976
Interest expense	(40,142)	(35,488)
General and administrative expenses	(5,221)	(6,008)
Condominium marketing expenses	(35)	(5)
Amortization of other assets	(453)	(642)
Transaction costs	(394)	(999)
Mark-to-market expense on unit-based compensation	(1,514)	(1,450)
Fair value loss on investment properties and investment properties held for sale	(38,596)	(100,265)
Fair value gain (loss) on Exchangeable LP Units	32,475	(42,277)
Fair value gain (loss) on derivative instruments	6,676	(2,565)
Expected credit loss on loans and notes receivable	—	—
Impairment of residential inventory	—	(14,393)
Net income (loss) and comprehensive income (loss)	\$21,751	\$(113,389)

Operating income for the three months ended September 30, 2026, decreased by \$12,311 or 15.3% from the comparable period. The decrease was primarily attributable to non-renewals, dispositions, decapitalization of operating costs from development completions as space became ready for its intended use, and a lease termination fee received in 2025 at 1001 Boulevard Robert-Bourassa. This was partially offset by rent commencement at the recently completed Toronto House and 108 East 5th Avenue developments.

Net income (loss) and comprehensive income (loss) for the three months ended September 30, 2026, increased by \$135,140 from the comparable period. The increase was driven primarily by a higher fair value gain on Exchangeable LP Units of \$74,752 and lower fair value loss on investment properties and investment properties held for sale of \$61,669. Additional contributing factors included lower impairment of residential inventory of \$14,393 and a higher fair value gain on derivative instruments of \$9,241. This was partially offset by lower operating income of \$12,311, lower interest income of \$9,437, and higher interest expense of \$4,654.

	NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Rental revenue	\$422,558	\$443,613
Property operating costs	(214,743)	(201,701)
Operating income	\$207,815	\$241,912
Interest income	18,568	30,770
Interest expense	(119,421)	(98,989)
General and administrative expenses	(22,624)	(18,238)
Condominium marketing expenses	(128)	(18)
Amortization of other assets	(1,375)	(1,375)
Transaction costs	(5,233)	(1,659)
Mark-to-market expense on unit-based compensation	(3,471)	(1,901)
Fair value loss on investment properties and investment properties held for sale	(931,951)	(394,098)
Fair value gain (loss) on Exchangeable LP Units	74,043	(42,395)
Fair value gain (loss) on derivative instruments	6,197	(5,878)
Expected credit loss on loans and notes receivable	(44,000)	—
Impairment of residential inventory	(48,065)	(23,920)
Net loss and comprehensive loss	\$(869,645)	\$(315,789)

Operating income for the nine months ended September 30, 2026, decreased by \$34,097 or 14.1% from the comparable period. The decrease was primarily attributable to non-renewals, dispositions, decapitalization of operating costs from development completions as space became ready for its intended use, a retroactive multi-year property tax assessment at Union Centre in Toronto, and a lease termination fee received in 2025 at 1001 Boulevard Robert-Bourassa. This was partially offset by rent commencement at the recently completed Toronto House and 108 East 5th Avenue developments.

Net loss and comprehensive loss for the nine months ended September 30, 2026, increased by \$553,856 from the comparable period. The increase was driven primarily by a higher fair value loss on investment properties and investment properties held for sale of \$537,853, an expected credit loss on loans and notes receivable of \$44,000, and lower operating income of \$34,097. Additional contributing factors included a higher impairment loss on residential inventory of \$24,145, higher interest expense of \$20,432, lower interest income of \$12,202, a one-time contractual severance payment of \$5,870, and higher transaction costs from dispositions of \$3,574. This was partially offset by a higher fair value gain on Exchangeable LP Units of \$116,438, and a higher fair value gain on derivative instruments of \$12,075.

The following table reconciles net income (loss) and comprehensive income (loss) from the unaudited condensed consolidated statements of income (loss) and comprehensive income (loss) to net income excluding fair value adjustments, transaction costs, financing prepayment costs, impairment, severance expense and expected credit loss on loans and notes receivable, a non-GAAP measure, for the three and nine months ended September 30, 2026, and September 30, 2025, as defined on page 13.

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Net income (loss) and comprehensive income (loss)	\$21,751	\$(113,389)	\$(869,645)	\$(315,789)
Fair value loss on investment properties and investment properties held for sale	38,596	100,265	931,951	394,098
Fair value (gain) loss on Exchangeable LP Units	(32,475)	42,277	(74,043)	42,395
Fair value (gain) loss on derivative instruments	(6,676)	2,565	(6,197)	5,878
Mark-to-market expense on unit-based compensation	1,514	1,450	3,471	1,901
Transaction costs	394	999	5,233	1,659
Financing prepayment costs	—	568	—	734
Severance expense	—	—	5,870	—
Expected credit loss on loans and notes receivable	—	—	44,000	—
Impairment of residential inventory	—	14,393	48,065	23,920
Net income excluding fair value adjustments, transaction costs, financing prepayment costs, impairment, severance expense and expected credit loss on loans and notes receivable	\$23,104	\$49,128	\$88,705	\$154,796

NET OPERATING INCOME

Allied operates in five urban markets, which are Toronto, Montréal, Vancouver, Calgary and Kitchener. On April 30, 2025, Allied disposed of its Edmonton property. For the purpose of analyzing NOI, Allied groups the cities by geographic location.

The following table reconciles operating income to net operating income, a non-GAAP measure, as defined on page 13:

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Operating income, GAAP basis	\$68,416	\$80,727	\$207,815	\$241,912
Amortization of improvement allowances	10,642	8,944	31,269	28,089
Amortization of straight-line rent	(3,381)	(812)	(10,272)	(2,039)
Total NOI	\$75,677	\$88,859	\$228,812	\$267,962

The following tables set out the NOI by segment and space type for the three and nine months ended September 30, 2026, and the comparable period in 2025:

SEGMENT	THREE MONTHS ENDED				CHANGE	
	SEPTEMBER 30, 2026		SEPTEMBER 30, 2025		\$	%
Toronto & Kitchener	\$39,692	52.5%	\$44,636	50.2%	\$(4,944)	(11.1)%
Montréal	23,826	31.5	29,744	33.5	(5,918)	(19.9)
Vancouver	9,477	12.5	10,430	11.7	(953)	(9.1)
Calgary	2,682	3.5	4,049	4.6	(1,367)	(33.8)
Total NOI	\$75,677	100.0%	\$88,859	100.0%	\$(13,182)	(14.8)%

TYPE OF SPACE	THREE MONTHS ENDED				CHANGE	
	SEPTEMBER 30, 2026		SEPTEMBER 30, 2025		\$	%
Office	\$60,657	80.1%	\$70,382	79.3%	\$(9,725)	(13.8)%
Retail	9,822	13.0	12,749	14.3	(2,927)	(23.0)
Parking	5,198	6.9	5,728	6.4	(530)	(9.3)
Total NOI	\$75,677	100.0%	\$88,859	100.0%	\$(13,182)	(14.8)%

The NOI for the three months ended September 30, 2026, decreased by \$13,182 or 14.8% from the comparable period. Of the decrease, \$14,945 was due to non-renewals, dispositions, decapitalization of operating costs from development completions as space became ready for its intended use, and a lease termination fee received in 2025 at 1001 Boulevard Robert-Bourassa. This was partially offset by rent commencement at the recently completed Toronto House and 108 East 5th Avenue developments, and organic rent growth across the portfolio of \$1,921.

SEGMENT	NINE MONTHS ENDED				CHANGE	
	SEPTEMBER 30, 2026		SEPTEMBER 30, 2025		\$	%
Toronto & Kitchener	\$115,134	50.3%	\$137,671	51.4%	\$(22,537)	(16.4)%
Montréal	74,802	32.7	85,236	31.8	(10,434)	(12.2)
Vancouver	30,409	13.3	32,462	12.1	(2,053)	(6.3)
Calgary & Edmonton ⁽¹⁾	8,467	3.7	12,593	4.7	(4,126)	(32.8)
Total NOI	\$228,812	100.0%	\$267,962	100.0%	\$(39,150)	(14.6)%

(1) On April 30, 2025, Allied disposed of its Edmonton property.

TYPE OF SPACE	NINE MONTHS ENDED				CHANGE	
	SEPTEMBER 30, 2026		SEPTEMBER 30, 2025		\$	%
Office	\$183,910	80.4%	\$216,556	80.8%	\$(32,646)	(15.1)%
Retail	28,908	12.6	34,743	13.0	(5,835)	(16.8)
Parking	15,994	7.0	16,663	6.2	(669)	(4.0)
Total NOI	\$228,812	100.0%	\$267,962	100.0%	\$(39,150)	(14.6)%

The NOI for the nine months ended September 30, 2026, decreased by \$39,150 or 14.6% from the comparable period. Of the decrease, \$41,628 was due to non-renewals, dispositions, decapitalization of operating costs from development completions as space became ready for its intended use, a retroactive multi-year property tax assessment at Union Centre in Toronto, and a lease termination fee received in 2025 at 1001 Boulevard Robert-Bourassa. This was partially offset by rent commencement at the recently completed Toronto House and 108 East 5th Avenue developments, and organic rent growth across the portfolio of \$9,251.

SAME ASSET NOI

Same Asset NOI, a non-GAAP measure shown in the table below, refers to investment properties that were owned by Allied from July 1, 2025, to September 30, 2026, as defined on page 13. Same Asset NOI of the development portfolio for the three months ended September 30, 2026, consisted of 12 Brant, 108 East 5th Avenue, 135-137 George, 139-141 George, 387 Adelaide W, KING Toronto, Kipling Square, and portions of 375 Water, 469 King W, 747 Square-Victoria, 1001 Boulevard Robert-Bourassa, and RCA Building - 1001 Lenoir Street.

	THREE MONTHS ENDED		CHANGE	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	\$	%
Toronto & Kitchener	\$37,410	\$40,842	\$(3,432)	(8.4)%
Montréal	22,704	23,478	(774)	(3.3)
Vancouver	8,318	8,547	(229)	(2.7)
Calgary	2,670	4,175	(1,505)	(36.0)
Rental portfolio - Same Asset NOI	\$71,102	\$77,042	\$(5,940)	(7.7)%
Assets held for sale - Same Asset NOI	2,167	2,802	(635)	(22.7)
Rental portfolio and assets held for sale - Same Asset NOI	\$73,269	\$79,844	\$(6,575)	(8.2)%
Development portfolio - Same Asset NOI ⁽¹⁾	421	1,671	(1,250)	(74.8)
Total portfolio - Same Asset NOI	\$73,690	\$81,515	\$(7,825)	(9.6)%
Acquisitions	314	—	314	
Dispositions	830	3,883	(3,053)	
Lease terminations	16	2,080	(2,064)	
Development fees and corporate items	827	1,381	(554)	
Total NOI	\$75,677	\$88,859	\$(13,182)	(14.8)%

(1) Includes properties held for future development.

Same Asset NOI of the total portfolio decreased by \$7,825 or 9.6% and Same Asset NOI of the rental portfolio decreased by \$5,940 or 7.7% for the three months ended September 30, 2026. Of the decrease in the rental portfolio, \$6,779 was due to non-renewals, primarily at QRC West - 134 Peter and 555 Richmond W in Toronto, The Tannery in Kitchener, and La Cité - 645 Wellington in Montréal. Additional contributing factors included decapitalization of operating costs from development completions as space became ready for its intended use and collection of a bad debt provision for a user in Calgary in 2025. This was partially offset by rent commencement, primarily at 1001 Boulevard Robert-Bourassa and 5445 de Gaspé in Montréal, and 20 Breithaupt in Kitchener, of \$1,208.

Same Asset NOI of the development portfolio decreased by \$1,250 or 74.8%, primarily due to space taken out of service to complete upgrade activities. This was partially offset by rent commencement at 108 East 5th Avenue in Vancouver.

Same Asset NOI, a non-GAAP measure shown in the table below, refers to investment properties owned by Allied from January 1, 2025, to September 30, 2026. Same Asset NOI of the development portfolio for the nine months ended September 30, 2026, consisted of 12 Brant, 108 East 5th Avenue, 135-137 George, 139-141 George, 185 Spadina, 387 Adelaide W, KING Toronto, Kipling Square, and portions of 375 Water, 469 King W, 747 Square-Victoria, 1001 Boulevard Robert-Bourassa, RCA Building - 1001 Lenoir Street, and The Well.

	NINE MONTHS ENDED		CHANGE	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	\$	%
Toronto & Kitchener	\$106,302	\$125,565	\$(19,263)	(15.3)%
Montréal	68,253	69,124	(871)	(1.3)
Vancouver	24,885	25,850	(965)	(3.7)
Calgary	7,817	10,458	(2,641)	(25.3)
Rental portfolio - Same Asset NOI	\$207,257	\$230,997	\$(23,740)	(10.3)%
Assets held for sale - Same Asset NOI	7,457	8,621	(1,164)	(13.5)
Rental portfolio and assets held for sale - Same Asset NOI	\$214,714	\$239,618	\$(24,904)	(10.4)%
Development portfolio - Same Asset NOI ⁽¹⁾	3,078	5,945	(2,867)	(48.2)
Total portfolio - Same Asset NOI	\$217,792	\$245,563	\$(27,771)	(11.3)%
Acquisitions	643	—	643	
Dispositions	6,294	15,597	(9,303)	
Lease terminations	1,707	2,155	(448)	
Development fees and corporate items	2,376	4,647	(2,271)	
Total NOI	\$228,812	\$267,962	\$(39,150)	(14.6)%

(1) Includes properties held for future development.

Same Asset NOI of the total portfolio decreased by \$27,771 or 11.3% and Same Asset NOI of the rental portfolio decreased by \$23,740 or 10.3% for the nine months ended September 30, 2026. Of the decrease in the rental portfolio, \$25,793 was due to non-renewals, primarily at QRC West - 134 Peter and 555 Richmond W in Toronto, La Cité - 645 Wellington in Montréal, The Tannery in Kitchener, and Vintage Towers in Calgary. Additional contributing factors included a retroactive multi-year property tax assessment at Union Centre in Toronto, decapitalization of operating costs from development completions as space became ready for its intended use and collection of a bad debt provision for a user in Calgary in 2025. This was partially offset by rent commencement, primarily at 1001 Boulevard Robert-Bourassa and 5445 de Gaspé in Montréal, 20 Breithaupt in Kitchener, and 468 King W in Toronto, of \$4,565.

Same Asset NOI of the development portfolio decreased by \$2,867 or 48.2%, primarily due to space taken out of service to complete upgrade activities. This was partially offset by rent commencement at 108 East 5th Avenue in Vancouver.

INTEREST EXPENSE

Interest expense for the three and nine months ended September 30, 2026, and 2025, is as follows:

	THREE MONTHS ENDED		CHANGE	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	\$	%
Interest on debt:				
Mortgages payable	\$5,890	\$5,977	\$(87)	(1.5)%
Construction loans payable	996	1,997	(1,001)	(50.1)
Unsecured revolving operating facility	988	2,034	(1,046)	(51.4)
Senior unsecured debentures	32,673	30,349	2,324	7.7
Unsecured term loans	1,042	2,131	(1,089)	(51.1)
Interest on lease liabilities	344	547	(203)	(37.1)
Amortization, net financing costs	1,135	1,215	(80)	(6.6)
Distributions on Exchangeable LP Units ⁽¹⁾	2,126	5,314	(3,188)	(60.0)
	\$45,194	\$49,564	\$(4,370)	(8.8)%
Interest capitalized to qualifying investment properties and residential inventory	(5,052)	(14,644)	9,592	65.5
Interest expense excluding financing prepayment costs	\$40,142	\$34,920	\$5,222	15.0%
Financing prepayment costs ⁽²⁾	—	568	(568)	(100.0)
Interest expense	\$40,142	\$35,488	\$4,654	13.1%

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

(2) For the three months ended September 30, 2026, Allied incurred \$nil financing prepayment costs (September 30, 2025 - \$568 for accelerated amortization of deferred financing costs in connection with the refinancing of its unsecured revolving operating facility).

For the three months ended September 30, 2026, interest expense increased by \$4,654 or 13.1% from the comparable period.

Excluding capitalized interest, interest expense for the three months ended September 30, 2026, decreased by \$4,370 or 8.8% from the comparable period, reflecting reduced interest on unsecured term loans by \$1,089, unsecured revolving operating facility by \$1,046, and construction loans payable by \$1,001. These decreases were partially offset by a \$2,324 increase in interest expense on senior unsecured debentures attributable to the issuance of Series N debentures in September 2025. The proceeds from the issuance were used to repay debt.

In addition, there was lower interest expense due to the repayment of the Series H debentures upon maturity in February 2026 and lower distributions on Exchangeable LP Units, reflecting the lower distribution rate that commenced in December 2025.

For the three months ended September 30, 2026, Allied capitalized \$5,052 of borrowing costs to qualifying assets, \$2,798 of which related to development activity, \$157 to upgrade activity in the rental portfolio and \$2,097 to residential inventory. The weighted average cost base of qualifying asset for the three months ended September 30, 2026, was \$506,480.

Capitalized interest decreased by \$9,592, or 65.5%, for the three months ended September 30, 2026. Of the decrease, \$10,030 was due to lower capitalized interest from the completion of development and upgrade projects, and the disposition of properties under development. This was partially offset by \$438 of additional capitalized interest from a higher weighted average interest rate.

	NINE MONTHS ENDED		CHANGE	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	\$	%
Interest on debt:				
Mortgages payable	\$17,673	\$16,981	\$692	4.1%
Construction loans payable	2,993	8,403	(5,410)	(64.4)
Unsecured revolving operating facility	4,133	5,037	(904)	(17.9)
Senior unsecured debentures	99,196	83,583	15,613	18.7
Unsecured term loans	2,776	11,690	(8,914)	(76.3)
Interest on lease liabilities	1,041	1,019	22	2.2
Amortization, net financing costs	3,453	3,369	84	2.5
Distributions on Exchangeable LP Units ⁽¹⁾	6,377	15,942	(9,565)	(60.0)
	\$137,642	\$146,024	\$(8,382)	(5.7)%
Interest capitalized to qualifying investment properties and residential inventory	(18,221)	(47,769)	29,548	61.9
Interest expense excluding financing prepayment costs	\$119,421	\$98,255	\$21,166	21.5%
Financing prepayment costs ⁽²⁾	—	734	(734)	(100.0)
Interest expense	\$119,421	\$98,989	\$20,432	20.6%

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

(2) For the nine months ended September 30, 2026, Allied incurred \$nil financing prepayment costs (September 30, 2025 - \$734 for accelerated amortization of deferred financing costs in connection with the early repayment of an unsecured term loan and the refinancing of its unsecured revolving operating facility).

For the nine months ended September 30, 2026, interest expense increased by \$20,432 or 20.6% from the comparable period.

Excluding capitalized interest, interest expense for the nine months ended September 30, 2026, decreased by \$8,382 or 5.7% from the comparable period, reflecting reduced interest on unsecured term loans by \$8,914, construction loans payable by \$5,410, and unsecured revolving operating facility by \$904. These decreases were partially offset by higher senior unsecured debenture interest of \$15,613, mainly related to the issuance of Series L and M debentures in April 2025 and Series N debentures in September 2025. The proceeds from these issuances were used to repay debt.

In addition, there was lower interest expense due to the repayment of the Series H debentures upon maturity in February 2026 and lower distributions on Exchangeable LP Units, reflecting the lower distribution rate that commenced in December 2025.

For the nine months ended September 30, 2026, Allied capitalized \$18,221 of borrowing costs to its qualifying assets, \$10,598 of which related to development activity, \$1,252 to upgrade activity in the rental portfolio and \$6,371 to residential inventory. The weighted average cost base of qualifying asset for the nine months ended September 30, 2026, was \$607,369.

Capitalized interest decreased by \$29,548, or 61.9%, for the nine months ended September 30, 2026. Of the decrease, \$31,102 was due to lower capitalized interest from the completion of development and upgrade projects, and the disposition of properties under development. This was partially offset by \$1,554 of additional capitalized interest from a higher weighted average interest rate.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the three and nine months ended September 30, 2026 and 2025, are as follows:

	THREE MONTHS ENDED		CHANGE	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	\$	%
Salaries and benefits ⁽¹⁾	\$3,274	\$4,318	\$(1,044)	(24.2)%
Severance expense	—	—	—	—
Professional and trustees fees	1,506	1,282	224	17.5
Office and general expenses	1,511	1,699	(188)	(11.1)
	\$6,291	\$7,299	\$(1,008)	(13.8)%
Capitalized to qualifying investment properties and residential inventory	(1,070)	(1,291)	221	17.1
Total general and administrative expenses	\$5,221	\$6,008	\$(787)	(13.1)%

(1) Salaries and benefits are net of amounts allocated to dispositions of investment properties.

For the three months ended September 30, 2026, general and administrative expenses decreased by \$787 or 13.1% from the comparable period. This was mainly due to lower unit-based compensation expense, driven by the amortization of performance trust units and restricted trust units at lower Unit prices and performance factors than the comparable period.

	NINE MONTHS ENDED		CHANGE	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	\$	%
Salaries and benefits ⁽¹⁾	\$9,380	\$13,147	\$(3,767)	(28.7)%
Severance expense	5,870	—	5,870	100.0
Professional and trustees fees	5,919	4,479	1,440	32.2
Office and general expenses	4,631	4,621	10	0.2
	\$25,800	\$22,247	\$3,553	16.0%
Capitalized to qualifying investment properties and residential inventory	(3,176)	(4,009)	833	20.8
Total general and administrative expenses	\$22,624	\$18,238	\$4,386	24.0%

(1) Salaries and benefits are net of amounts allocated to dispositions of investment properties.

For the nine months ended September 30, 2026, general and administrative expenses increased by \$4,386 or 24.0% from the comparable period. The increase was primarily attributable to a one-time contractual severance payment of \$5,870. This was partially offset by lower unit-based compensation expense, driven by the settlement and amortization of performance trust units and restricted trust units at lower Unit prices and performance factors than the comparable period.

INTEREST INCOME

Interest income for the three and nine months ended September 30, 2026 and 2025, are as follows:

	THREE MONTHS ENDED		CHANGE	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	\$	%
Interest on loans and notes receivable	\$143	\$9,558	\$(9,415)	(98.5)%
Guarantee fees	—	269	(269)	(100.0)
Interest on cash, cash equivalents and deposit	396	149	247	165.8
Interest income	\$539	\$9,976	\$(9,437)	(94.6)%

For the three months ended September 30, 2026, interest income decreased by \$9,437 or 94.6% from the comparable period, primarily due to \$9,415 of lower interest on loans receivable as no interest income was recorded on loans outstanding from Westbank. Interest income also declined by \$269 due to lower guarantee fee and was partially offset by \$247 of higher interest on deposits.

	NINE MONTHS ENDED		CHANGE	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	\$	%
Interest on loans and notes receivable	\$17,376	\$27,963	\$(10,587)	(37.9)%
Guarantee fees	367	1,068	(701)	(65.6)
Interest on cash, cash equivalents and deposit	825	1,739	(914)	(52.6)
Interest income	\$18,568	\$30,770	\$(12,202)	(39.7)%

For the nine months ended September 30, 2026, interest income decreased by \$12,202 or 39.7% from the comparable period. The decrease was due to \$10,587 of lower interest on loans receivable as subsequent to the second quarter of 2026 no interest income was recorded on loans outstanding from Westbank. Interest income also declined by \$914 as a deposit was fully repaid in July 2025 and guarantee fees decreased by \$701 following the full repayment of the Breithaupt Phase III construction loan in April 2025.

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 calculated in accordance with REALPAC's standardized definition in REALPAC's "Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO) for IFRS" issued in January 2022, as defined on page 13. 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 13.

For the three months ended September 30, 2026, FFO per unit excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation totalled \$0.194, a decrease of \$0.276 or 58.7% over the comparable period in the prior year. The decrease was primarily due to lower operating income of \$0.09 or \$12,311, lower interest income of \$0.07 or \$9,437, and higher interest expense excluding financing prepayment costs and distributions on Exchangeable LP Units of \$0.06 or \$8,410. This was partially offset by lower general and administrative expenses of \$0.01 or \$787. In addition, \$0.078 of the decrease was due to higher weighted average number of units outstanding from the February 2026 equity issuance.

For the nine months ended September 30, 2026, FFO per unit excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation totalled \$0.716, a decrease of \$0.761 or 51.5% over the comparable period in the prior year. The decrease was primarily due to lower operating income of \$0.24 or \$34,097, higher interest expense excluding financing prepayment costs and distributions on Exchangeable LP Units of \$0.22 or \$30,731, and lower interest income of \$0.09 or \$12,202. This was partially offset by lower general and administrative expenses of \$0.01 or \$1,484, excluding a one-time contractual severance payment. In addition, \$0.236 of the decrease was due to higher weighted average number of units outstanding from the February 2026 equity issuance.

For the three and nine months ended September 30, 2026, the FFO payout ratio excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation was 92.7% and 76.9%, respectively.

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 calculated in accordance with REALPAC's standardized definition in REALPAC's "Funds From Operations (FFO) & Adjusted Funds From Operations (AFFO) for IFRS" issued in January 2022, as defined on page 13. 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 13.

For the three months ended September 30, 2026, AFFO per unit excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation totalled \$0.110, a decrease of \$0.328 or 74.9% over the comparable period in the prior year. The decrease was primarily due to the changes in FFO discussed above of \$0.21, higher regular leasing expenditures of \$0.06 or \$8,824 and higher amortization of straight-line rent of \$0.02 or \$2,569. In addition, \$0.044 of the decrease was due to higher weighted average number of units outstanding from the February 2026 equity issuance.

For the nine months ended September 30, 2026, AFFO per unit excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation totalled \$0.490, a decrease of \$0.870 or 64.0% over the comparable period in the prior year. The decrease was primarily due to the changes in FFO discussed above of \$0.54, higher regular leasing expenditures of \$0.12 or \$17,469 and higher amortization of straight-line rent of \$0.06 or \$8,233. In addition, \$0.162 of the decrease was due to higher weighted average number of units outstanding from the February 2026 equity issuance.

For the three and nine months ended September 30, 2026, the AFFO payout ratio excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation was 163.2% and 112.5%, respectively.

Allied reviews the level and sustainability of its distributions quarterly. On October 28, 2026, the Board decided to reduce monthly distributions to Unitholders by 90% to \$0.072 per unit on an annualized basis, beginning with the distribution for the month of November 2026. As a result, the current excess of distributions over cash available to Allied is not expected to continue.

RECONCILIATION OF FFO AND AFFO

The following tables reconcile Allied's net income (loss) and comprehensive income (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 and nine months ended September 30, 2026, and September 30, 2025, as defined on page 13.

	THREE MONTHS ENDED		
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	CHANGE
Net income (loss) and comprehensive income (loss) ⁽¹⁾	\$21,751	\$(113,389)	\$135,140
Adjustment to fair value of investment properties and investment properties held for sale	38,596	100,265	(61,669)
Adjustment to fair value of Exchangeable LP Units	(32,475)	42,277	(74,752)
Adjustment to fair value of derivative instruments	(6,676)	2,565	(9,241)
Severance expense	—	—	—
Expected credit loss on loans and notes receivable	—	—	—
Impairment of residential inventory	—	14,393	(14,393)
Transaction costs	394	999	(605)
Incremental leasing costs	1,989	2,250	(261)
Amortization of improvement allowances	10,642	8,944	1,698
Amortization of property, plant and equipment ⁽²⁾	107	101	6
Distributions on Exchangeable LP Units	2,126	5,314	(3,188)
FFO	\$36,454	\$63,719	\$(27,265)
Condominium marketing costs	35	5	30
Financing prepayment costs	—	568	(568)
Mark-to-market adjustment on unit-based compensation	1,514	1,450	64
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$38,003	\$65,742	\$(27,739)
FFO	\$36,454	\$63,719	\$(27,265)
Amortization of straight-line rent	(3,381)	(812)	(2,569)
Regular leasing expenditures ⁽³⁾	(10,521)	(1,697)	(8,824)
Regular and recoverable maintenance capital expenditures	(904)	(506)	(398)
Incremental leasing costs (related to regular leasing expenditures)	(1,602)	(1,575)	(27)
AFFO	\$20,046	\$59,129	\$(39,083)
Condominium marketing costs	35	5	30
Financing prepayment costs	—	568	(568)
Mark-to-market adjustment on unit-based compensation	1,514	1,450	64
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$21,595	\$61,152	\$(39,557)

THREE MONTHS ENDED			
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	CHANGE
Weighted average number of units ⁽⁴⁾			
Basic and diluted	195,765,128	139,765,128	56,000,000
Per unit - basic and diluted ⁽¹⁾			
FFO	\$0.186	\$0.456	\$(0.270)
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$0.194	\$0.470	\$(0.276)
AFFO	\$0.102	\$0.423	\$(0.321)
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$0.110	\$0.438	\$(0.328)
Payout Ratio			
FFO	96.7%	98.7%	(2.0)%
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	92.7%	95.7%	(3.0)%
AFFO	175.8%	106.4%	69.4%
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	163.2%	102.9%	60.3%

(1) Includes interest income and interest income per unit on loans receivable on KING Toronto and 150 West Georgia for the three months ended September 30, 2026, of \$nil and \$nil (September 30, 2025 - \$9,206 and \$0.066), respectively. An expected credit loss on loans receivable of \$nil (September 30, 2025 - \$nil) was recognized for the three months ended September 30, 2026.

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

(3) Refer to Capital Expenditures on page 38 for a description of regular leasing expenditures.

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

NINE MONTHS ENDED			
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	CHANGE
Net loss and comprehensive loss ⁽¹⁾	\$(869,645)	\$(315,789)	\$(553,856)
Adjustment to fair value of investment properties and investment properties held for sale	931,951	394,098	537,853
Adjustment to fair value of Exchangeable LP Units	(74,043)	42,395	(116,438)
Adjustment to fair value of derivative instruments	(6,197)	5,878	(12,075)
Severance expense	5,870	—	5,870
Expected credit loss on loans and notes receivable	44,000	—	44,000
Impairment of residential inventory	48,065	23,920	24,145
Transaction costs	5,233	1,659	3,574
Incremental leasing costs	6,234	7,310	(1,076)
Amortization of improvement allowances	31,269	28,089	3,180
Amortization of property, plant and equipment ⁽²⁾	317	300	17
Distributions on Exchangeable LP Units	6,377	15,942	(9,565)
FFO	\$129,431	\$203,802	\$(74,371)
Condominium marketing costs	128	18	110
Financing prepayment costs	—	734	(734)
Mark-to-market adjustment on unit-based compensation	3,471	1,901	1,570
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$133,030	\$206,455	\$(73,425)
FFO	\$129,431	\$203,802	\$(74,371)
Amortization of straight-line rent	(10,272)	(2,039)	(8,233)
Regular leasing expenditures ⁽³⁾	(24,665)	(7,196)	(17,469)
Regular and recoverable maintenance capital expenditures	(2,116)	(2,019)	(97)
Incremental leasing costs (related to regular leasing expenditures)	(4,957)	(5,117)	160
AFFO	\$87,421	\$187,431	\$(100,010)
Condominium marketing costs	128	18	110
Financing prepayment costs	—	734	(734)
Mark-to-market adjustment on unit-based compensation	3,471	1,901	1,570
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$91,020	\$190,084	\$(99,064)
Weighted average number of units ⁽⁴⁾			
Basic and diluted	185,918,974	139,765,128	46,153,846
Per unit - basic and diluted ⁽¹⁾			
FFO	\$0.696	\$1.458	\$(0.762)
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$0.716	\$1.477	\$(0.761)

	NINE MONTHS ENDED		
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	CHANGE
AFFO	\$0.470	\$1.341	\$(0.871)
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	\$0.490	\$1.360	\$(0.870)
Payout Ratio			
FFO	79.1%	92.6%	(13.5)%
FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	76.9%	91.4%	(14.5)%
AFFO	117.1%	100.7%	16.4%
AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation	112.5%	99.3%	13.2%

- (1) Includes interest income and interest income per unit on loans receivable on KING Toronto and 150 West Georgia for the nine months ended September 30, 2026, of \$16,973 and \$0.091 (September 30, 2025 - \$26,714 and \$0.191), respectively. An expected credit loss on loans receivable of \$44,000 (September 30, 2025 - \$nil) was recognized for the nine months ended September 30, 2026.
- (2) Property, plant and equipment relates to owner-occupied property.
- (3) Refer to Capital Expenditures on page 38 for a description of regular leasing expenditures.
- (4) 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 reposition a property to improve its long-term earning potential. This includes investments to change the use of space, upgrade building systems, modernize common areas, enhance amenities, or materially improve the quality and functionality of a property.

Development costs are investments to generate new revenue streams and/or to materially increase the gross leasable area 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		NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Revenue-enhancing capital and development costs	\$19,155	\$30,948	\$82,039	\$139,648
Regular and recoverable maintenance capital expenditures	904	506	2,116	2,019
Total capital expenditures	\$20,059	\$31,454	\$84,155	\$141,667
Revenue-enhancing and development leasing expenditures	\$10,256	\$15,394	\$59,120	\$34,042
Regular leasing expenditures	10,521	1,697	24,665	7,196
Total improvement allowances and leasing commissions	\$20,777	\$17,091	\$83,785	\$41,238

During the three months ended September 30, 2026, Allied incurred \$20,059 of capital expenditures, consisting of \$14,833 in the development portfolio and \$5,226 in the rental portfolio. Revenue-enhancing capital in the rental portfolio primarily related to close-out costs for completed developments transferred to the rental portfolio and upgrades at select properties to support higher future revenues. Allied incurred \$20,777 of leasing costs for investment properties, including build-out costs for new users at Vintage Towers, 461 King W, and La Cité - 87 Prince to support higher rents.

During the nine months ended September 30, 2026, Allied incurred \$84,155 of capital expenditures, consisting of \$52,244 in the development portfolio and \$31,911 in the rental portfolio. Revenue-enhancing capital in the rental portfolio primarily related to close-out costs for completed developments transferred to the rental portfolio and upgrades at select properties to support higher future revenues. Allied incurred \$83,785 of leasing costs for investment properties, including costs for the full build-out of five floors at 108 East 5th Avenue to support a 10-year lease at materially higher rents, expansion of an existing user at 1001 Boulevard Robert-Bourassa, and the expansion of an existing user and a new user at QRC West - 134 Peter.

ADJUSTED EBITDA

The following table reconciles Allied's net income (loss) and comprehensive income (loss) to Adjusted EBITDA, a non-GAAP measure, for the three and nine months ended September 30, 2026, and September 30, 2025, as defined on page 13:

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Net income (loss) and comprehensive income (loss) for the period ⁽¹⁾	\$21,751	\$(113,389)	\$(869,645)	\$(315,789)
Interest expense	40,142	35,488	119,421	98,989
Amortization of other assets	453	642	1,375	1,375
Amortization of improvement allowances	10,642	8,944	31,269	28,089
Severance expense	—	—	5,870	—
Expected credit loss on loans and notes receivable	—	—	44,000	—
Impairment of residential inventory	—	14,393	48,065	23,920
Transaction costs	394	999	5,233	1,659
Fair value loss on investment properties and investment properties held for sale	38,596	100,265	931,951	394,098
Fair value (gain) loss on Exchangeable LP Units	(32,475)	42,277	(74,043)	42,395
Fair value (gain) loss on derivative instruments	(6,676)	2,565	(6,197)	5,878
Mark-to-market expense on unit-based compensation	1,514	1,450	3,471	1,901
Adjusted EBITDA	\$74,341	\$93,634	\$240,770	\$282,515

(1) For the three and nine months ended September 30, 2026, includes interest income on loans receivable on KING Toronto and 150 West Georgia of \$nil and \$16,973 (September 30, 2025 - \$9,206 and \$26,714), respectively. An expected credit loss on loans receivable of \$nil and \$44,000 (September 30, 2025 - \$nil and \$nil) was recognized for the three and nine months ended September 30, 2026, respectively.

Section III

–Leasing

Allied strives to maintain high levels of occupancy and leased area while increasing net rent per occupied square foot. At September 30, 2026, Allied's rental portfolio was 86.8% leased, and net rent per occupied square foot increased by 2.9%, from \$25.19 to \$25.91 over the comparable period.

STATUS

Leasing status for the rental portfolio, which excludes properties under development, properties held for future development, investment properties held for sale, and residential GLA, as at September 30, 2026, is summarized below:

	GLA (SF)	AS A % OF TOTAL GLA
Leased area (occupied & committed) - December 31, 2025	12,671,157	87.4%
Vacancy committed for future leases	(297,236)	
Occupancy - December 31, 2025	12,373,921	85.3%
Previously committed vacant space now occupied	117,160	
New leases and expansions on vacant space	261,740	
New vacancies during the period	(471,702)	
Suite additions, remeasurements and removals	(1,040)	
Occupancy before transfers from/(to) the rental portfolio	12,280,079	84.7%
Occupancy related to transfers from/(to) the rental portfolio	(564,368)	
Occupancy - September 30, 2026	11,715,711	84.9%
Vacancy committed for future leases	261,936	
Leased area (occupied & committed) - September 30, 2026	11,977,647	86.8%

Of the 13,806,124 square feet total GLA in Allied's rental portfolio, 11,715,711 square feet were occupied on September 30, 2026. Another 261,936 square feet were subject to contractual lease commitments with users whose leases commence after September 30, 2026, bringing the leased area to 11,977,647 square feet, representing 86.8% of Allied's total rental portfolio GLA.

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

	Q4 2026	Q1 2027	Q2 2027	Q3 2027	THEREAFTER	TOTAL
Fixturing Commencement (Occupancy)						
Lease commitments - GLA	99,152	136,672	26,112	—	—	261,936
% of lease commitments	37.8%	52.2%	10.0%	—%	—%	100.0%
Rent Commencement (Economic Occupancy)						
Lease commitments - GLA	54,290	157,522	26,112	24,012	—	261,936
% of lease commitments	20.7%	60.1%	10.0%	9.2%	—%	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 sublease space being marketed in its rental portfolio. Below is a summary:

	SEPTEMBER 30, 2026	JUNE 30, 2026	MARCH 31, 2026	DECEMBER 31, 2025
Toronto	135,232	120,202	129,508	137,204
Montréal	215,639	212,097	174,286	196,270
Vancouver	16,038	43,185	43,185	39,468
Calgary	—	5,346	4,191	8,859
Total sublease space (in square feet)	366,909	380,830	351,170	381,801
% of total GLA	2.7%	2.7%	2.4%	2.6%

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. When the amount of relocated space differs from the area expired, the lesser of the two is used. Including relocations and early renewals in the prior year related to the maturities in the three and nine months ended September 30, 2026, Allied leased 73.6% and 72.6%, respectively, of the expiring GLA, which is summarized in the following table:

MATURITIES DURING THE PERIOD	THREE MONTHS ENDED SEPTEMBER 30, 2026			NINE MONTHS ENDED SEPTEMBER 30, 2026		
	LEASABLE SF	LEASED SF BY SEPTEMBER 30	% LEASED BY SEPTEMBER 30	LEASABLE SF	LEASED SF BY SEPTEMBER 30	% LEASED BY SEPTEMBER 30
Leased in prior year ⁽¹⁾	194,947	194,947	100.0%	531,509	531,509	100.0%
Leased in current year	296,940	165,104	55.6%	824,953	420,005	50.9%
Relocations within Allied's portfolio	—	1,982	—%	—	33,863	—%
Retention Rate	491,887	362,033	73.6%	1,356,462	985,377	72.6%

(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 nine months ended September 30, 2026, is summarized in the following table:

	LEASABLE SF	LEASED SF BY SEPTEMBER 30	% LEASED BY SEPTEMBER 30	UNLEASED SF AT SEPTEMBER 30
Total GLA as at December 31, 2025	14,499,715			
Leased area as at December 31, 2025	12,671,157			
Unleased area as at December 31, 2025	1,828,558			
Area expiring on December 31, 2025, and vacant on January 1, 2026	117,038			
Vacancy related to transfers from/(to) PUD and investment properties held for sale, including re-measurement	(55,927)			
Unleased area on January 1, 2026 ⁽¹⁾	1,889,669	391,094	20.7%	1,498,575
Maturities during the period ended September 30, 2026 ⁽²⁾	824,953	420,005	50.9%	404,948
Maturities in remainder of 2026	431,066	201,248	46.7%	
Maturities in future years		356,156		
Total	3,145,688	1,368,503		1,903,523

(1) The unleased area on January 1, 2026, including re-measurement, consists of Allied's rental properties owned as at September 30, 2026.

(2) Some maturities occurred on September 30, 2026, and are included in Allied's leased area.

The leasing activity in the rental portfolio for the three and nine months ended September 30, 2026, is summarized in the following table:

	THREE MONTHS ENDED SEPTEMBER 30, 2026			NINE MONTHS ENDED SEPTEMBER 30, 2026		
	NEW LEASES	RENEWALS	TOTAL	NEW LEASES	RENEWALS	TOTAL
Tours			225			733
Net leased square feet	226,333	160,875	387,208	654,736	713,767	1,368,503
Number of transactions	48	34	82	146	147	293
Lease term (in years)	4.9	3.3	4.2	6.2	3.9	5.0

The rental rates achieved for leases that were renewed in the rental portfolio for the three and nine months ended September 30, 2026, are summarized in the following table:

LEASING SPREAD ON RENEWALS	THREE MONTHS ENDED SEPTEMBER 30, 2026				NINE MONTHS ENDED SEPTEMBER 30, 2026			
	EXPIRING RATE	RENEWAL RATE	SPREAD	SQUARE FEET	EXPIRING RATE	RENEWAL RATE	SPREAD	SQUARE FEET
Ending-to-Starting Base Rent								
Total Portfolio	\$19.31	\$19.86	2.8%	160,875	\$19.54	\$19.86	1.6%	713,767
Average-to-Average Base Rent								
Total Portfolio	\$18.64	\$19.27	3.4%	160,875	\$18.28	\$19.53	6.8%	713,767

Leasing activity resulted in an increase of 2.8% and 1.6% in ending-to-starting and 3.4% and 6.8% in average-to-average net rent per square foot from maturing leases upon renewal for the three and nine months ended September 30, 2026, respectively, illustrating Allied's ability to generate rent growth upon renewal.

The following table summarizes the renewals which were above, at, or below the maturing rate for the nine months ended September 30, 2026:

LEASE RENEWAL RATE	NINE MONTHS ENDED SEPTEMBER 30, 2026		
	ABOVE IN-PLACE RENTS	AT IN-PLACE RENTS	BELOW IN-PLACE RENTS
% of total renewed square feet	37.9%	52.2%	9.9%
Maturing leases - weighted average rent	\$15.86	\$20.89	\$26.50
Renewing leases - weighted average rent	\$18.17	\$20.89	\$20.97

USER PROFILE

Allied's user-mix on the basis of percentage of rental revenue for the nine months ended September 30, 2026, is summarized in the following table:

CATEGORY	% OF RENTAL REVENUE SEPTEMBER 30, 2026
Business services and professional	35.5%
Telecommunications and information technology	19.5
Media and entertainment	12.6
Retail	11.6
Financial services	5.6
Parking and other	4.9
Government	3.5
Educational and institutional	3.4
Life sciences	3.4
	100.0%

Information on the top-10 users by rental revenue for the nine months ended September 30, 2026, 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⁾	3.5%	6.9	3.3%	-/AA+/Aa2
Ubisoft Divertissements Inc.	3.5	6.5	4.0	Not Rated
Shopify Inc. ⁽²⁾	3.0	7.7	1.9	Not Rated
Deloitte Management Services LP	2.3	9.0	1.3	Not Rated
Northeastern University	2.0	8.8	0.9	-/-/A1
Morgan Stanley Services Canada Corp.	1.9	4.0	1.6	AAL/A-/A1
Hydro-Québec	1.8	3.6	1.8	AAL/A+/Aa2
Société Québécoise des Infrastructures	1.7	2.0	1.7	AAL/A+/Aa2
TMG MacManus Canada Inc.	1.6	5.9	1.4	Not Rated
Thomson Reuters Canada Limited	1.2	8.9	0.8	-/A-/Baa1
	22.5%	6.2	18.7%	

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

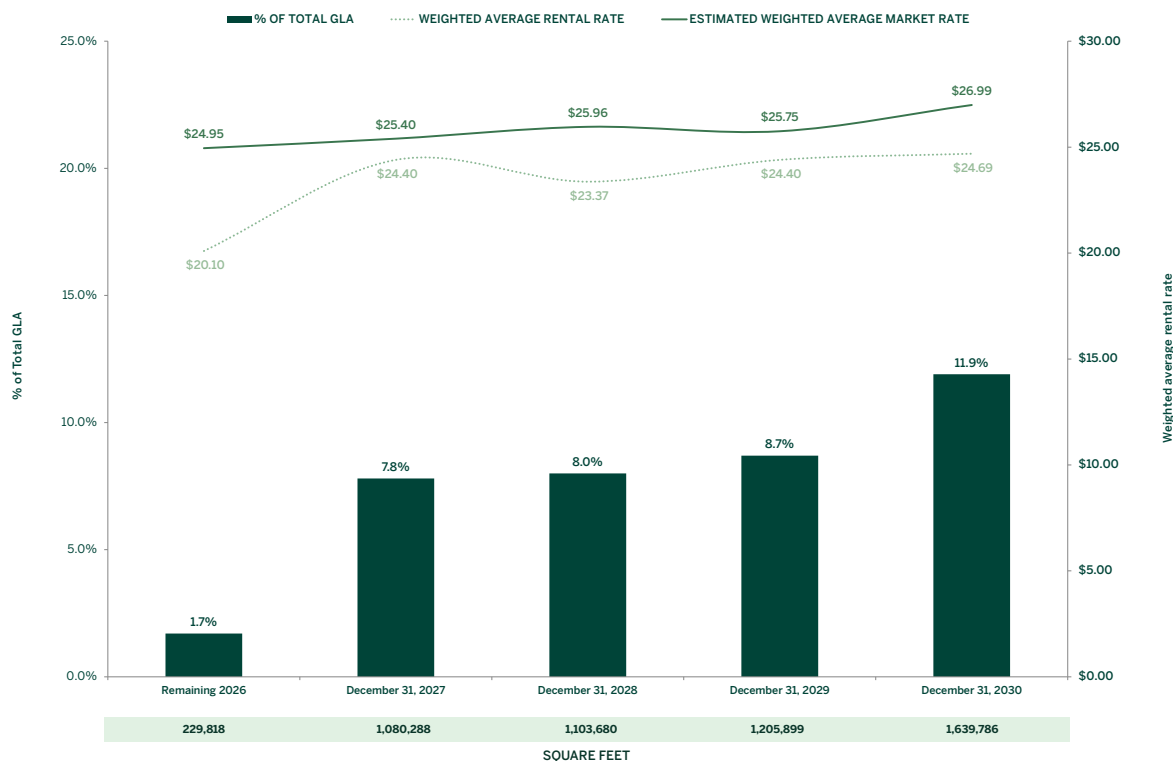
(2) Includes 129,099 SF at Allied's ownership that is subleased to a financial institution with a credit rating of AA/A+/Aa2.

LEASE MATURITY

As at September 30, 2026, 86.8% of the GLA in Allied's rental portfolio was leased and its weighted average term to maturity was 5.7 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 2030 and the corresponding estimated weighted average market rental rate as at September 30, 2026.

TOTAL RENTAL PORTFOLIO	SQUARE FEET	% OF TOTAL GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
Remaining 2026	229,818	1.7%	\$20.10	\$24.95
December 31, 2027	1,080,288	7.8%	\$24.40	\$25.40
December 31, 2028	1,103,680	8.0%	\$23.37	\$25.96
December 31, 2029	1,205,899	8.7%	\$24.40	\$25.75
December 31, 2030	1,639,786	11.9%	\$24.69	\$26.99



The following tables contain information on lease maturities by segment:

TORONTO & KITCHENER	SQUARE FEET	% OF SEGMENT GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
Remaining 2026	86,887	1.5%	\$22.60	\$32.00
December 31, 2027	490,260	8.2%	\$32.67	\$31.66
December 31, 2028	478,486	8.0%	\$30.13	\$33.92
December 31, 2029	588,863	9.9%	\$28.23	\$31.28
December 31, 2030	545,850	9.2%	\$28.88	\$30.14

MONTREAL	SQUARE FEET	% OF SEGMENT GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
Remaining 2026	91,296	1.6%	\$14.11	\$18.39
December 31, 2027	346,826	6.2%	\$16.38	\$19.83
December 31, 2028	296,511	5.3%	\$17.46	\$18.13
December 31, 2029	390,303	7.0%	\$21.79	\$20.64
December 31, 2030	917,690	16.5%	\$20.49	\$23.92

VANCOUVER	SQUARE FEET	% OF SEGMENT GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
Remaining 2026	36,984	3.4%	\$33.16	\$31.26
December 31, 2027	78,026	7.2%	\$37.11	\$37.85
December 31, 2028	92,328	8.5%	\$44.38	\$43.55
December 31, 2029	81,473	7.5%	\$35.80	\$35.55
December 31, 2030	97,846	9.0%	\$45.89	\$46.07

CALGARY	SQUARE FEET	% OF SEGMENT GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
Remaining 2026	14,651	1.2%	\$9.61	\$8.07
December 31, 2027	165,176	13.5%	\$10.65	\$12.67
December 31, 2028	236,355	19.4%	\$8.89	\$12.81
December 31, 2029	145,260	11.9%	\$9.49	\$11.58
December 31, 2030	78,400	6.4%	\$18.18	\$17.21

Section IV

–Historical Performance

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

	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Rental revenue ⁽¹⁾	\$138,117	\$140,510	\$143,931	\$148,766	\$147,932	\$145,045	\$150,636	\$155,120
Property operating costs ⁽¹⁾	(69,701)	(70,720)	(74,322)	(73,714)	(67,205)	(65,095)	(69,401)	(70,737)
Operating income ⁽¹⁾	\$68,416	\$69,790	\$69,609	\$75,052	\$80,727	\$79,950	\$81,235	\$84,383
Net income (loss) and comprehensive income (loss) ⁽¹⁾	\$21,751	\$(744,702)	\$(146,694)	\$(1,011,743)	\$(113,389)	\$(94,740)	\$(107,660)	\$(257,652)
per unit (basic and diluted) ⁽¹⁾	\$0.11	\$(3.80)	\$(0.88)	\$(7.24)	\$(0.81)	\$(0.68)	\$(0.77)	\$(1.84)
Weighted average units (basic and diluted) ⁽²⁾	195,765,128	195,765,128	165,898,461	139,765,128	139,765,128	139,765,128	139,765,128	139,765,128
Distributions ⁽¹⁾⁽³⁾	\$35,239	\$35,236	\$31,878	\$50,316	\$62,895	\$62,894	\$62,894	\$62,894
FFO ⁽⁴⁾	\$36,454	\$47,520	\$45,457	\$60,475	\$63,719	\$68,999	\$71,084	\$72,395
FFO per unit (basic and diluted) ⁽⁴⁾	\$0.186	\$0.243	\$0.274	\$0.433	\$0.456	\$0.494	\$0.509	\$0.518
FFO payout ratio ⁽⁴⁾	96.7%	74.1%	70.1%	83.2%	98.7%	91.2%	88.5%	86.9%
All amounts below are excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation								
FFO ⁽⁴⁾	\$38,003	\$47,139	\$47,888	\$58,571	\$65,742	\$69,198	\$71,515	\$74,747
FFO per unit (basic and diluted) ⁽⁴⁾	\$0.194	\$0.241	\$0.289	\$0.419	\$0.470	\$0.495	\$0.512	\$0.535
FFO payout ratio ⁽⁴⁾	92.7%	74.7%	66.6%	85.9%	95.7%	90.9%	87.9%	84.1%
AFFO ⁽⁴⁾	\$21,595	\$33,340	\$36,085	\$50,488	\$61,152	\$63,676	\$65,256	\$66,626
AFFO per unit (basic and diluted) ⁽⁴⁾	\$0.110	\$0.170	\$0.218	\$0.361	\$0.438	\$0.456	\$0.467	\$0.477
AFFO payout ratio ⁽⁴⁾	163.2%	105.7%	88.3%	99.7%	102.9%	98.8%	96.4%	94.4%
NAV per unit ⁽⁵⁾	\$18.75	\$18.97	\$22.90	\$29.87	\$38.05	\$38.97	\$39.99	\$41.25
Net debt as a multiple of annualized adjusted EBITDA ⁽⁴⁾	13.5x	12.0x	12.3x	12.9x	12.3x	11.9x	11.6x	10.8x
Total indebtedness ratio ⁽⁴⁾	50.2%	49.8%	45.9%	50.7%	45.2%	44.0%	42.9%	41.7%
Total rental GLA	13,806	14,072	14,831	14,500	14,403	14,419	14,314	14,317
Leased rental GLA	11,978	12,195	12,915	12,671	12,583	12,570	12,436	12,479
Leased area %	86.8%	86.7%	87.1%	87.4%	87.4%	87.2%	86.9%	87.2%

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

(2) This includes the weighted average number of Units and Exchangeable LP Units.

(3) Includes distributions on Units and Exchangeable LP Units.

(4) This is a non-GAAP measure, as defined on page 13.

(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.

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, mark-to-market adjustment on unit-based compensation, impairment on residential inventory, expected credit loss on loans and notes receivable, and changes in the fair values of derivative instruments, Exchangeable LP Units, and investment properties and investment properties held for sale.

Section V

–Asset Profile

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

As at September 30, 2026, Allied's portfolio of 184 investment properties consists of 170 rental properties (four of which are partially under development), one property under development, four properties held for future development and nine investment properties held for sale, including Toronto House and Calgary House. Allied's portfolio of investment properties and investment properties held for sale has a fair value of \$7,386,696 as at September 30, 2026. Refer to note 5 of Allied's unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2026, and September 30, 2025, for details of the methodologies utilized in the valuation of Allied's investment properties and investment properties held for sale.

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

	THREE MONTHS ENDED SEPTEMBER 30, 2026				NINE MONTHS ENDED SEPTEMBER 30, 2026			
	RENTAL PROPERTIES	PROPERTIES UNDER DEVELOPMENT	PROPERTIES HELD FOR FUTURE DEVELOPMENT	TOTAL	RENTAL PROPERTIES	PROPERTIES UNDER DEVELOPMENT	PROPERTIES HELD FOR FUTURE DEVELOPMENT	TOTAL
Balance, beginning of period	\$7,249,114	\$213,781	\$7,030	\$7,469,925	\$8,038,214	\$455,411	\$—	\$8,493,625
Additions:								
Improvement allowances	16,160	—	—	16,160	42,787	19,472	—	62,259
Leasing commissions	4,593	24	—	4,617	17,634	3,892	—	21,526
Capital expenditures	5,226	14,833	—	20,059	31,911	52,244	—	84,155
Dispositions	(78,000)	—	—	(78,000)	(321,000)	—	—	(321,000)
Transfers from PUD	2,611	(2,611)	—	—	251,375	(251,375)	—	—
Transfers to PUD	(979)	979	—	—	(35,469)	35,469	—	—
Transfers to Properties Held for Future Development	(24,810)	—	24,810	—	(31,840)	—	31,840	—
Transfers to other assets	(208)	—	—	(208)	(921)	—	—	(921)
Amortization of straight-line rent and improvement allowances	(7,261)	—	—	(7,261)	(20,997)	—	—	(20,997)
Fair value loss on investment properties and investment properties held for sale	(32,050)	(6,546)	—	(38,596)	(837,298)	(94,653)	—	(931,951)
Balance, end of period	\$7,134,396	\$220,460	\$31,840	\$7,386,696	\$7,134,396	\$220,460	\$31,840	\$7,386,696
Investment properties	\$6,731,286	\$220,460	\$31,840	\$6,983,586	\$6,731,286	\$220,460	\$31,840	\$6,983,586
Investment properties held for sale	403,110	—	—	403,110	403,110	—	—	403,110
Investment properties and investment properties held for sale	\$7,134,396	\$220,460	\$31,840	\$7,386,696	\$7,134,396	\$220,460	\$31,840	\$7,386,696

As at September 30, 2026, Allied had nine investment properties held for sale, including Toronto House and Calgary House, totalling \$403,110. As at December 31, 2025, Allied had five properties classified as investment properties held for sale totalling \$50,580. The increase of \$352,530 for the nine months ended September 30, 2026, is due to the addition of 19 properties to investment properties held for sale, partially offset by the sale of 14 investment properties held for sale and re-classification of one property from investment properties held for sale to investment properties.

The investment properties held for sale had an aggregate mortgages payable balance of \$65,356 as at September 30, 2026. This balance is not accounted for as held for sale but is included in current liabilities as Allied intends to repay the mortgages related to the investment properties held for sale if the mortgages are not assumed by the purchaser as part of the dispositions.

For the three months ended September 30, 2026, Allied recognized a fair value loss on investment properties and investment properties held for sale of \$38,596. This was mainly due to the expansion of discount rates, terminal capitalization rates and overall capitalization rates based on recent market transactions and changes to cash flow assumptions.

For the nine months ended September 30, 2026, Allied recognized a fair value loss on investment properties and investment properties held for sale of \$931,951. This was mainly due to the expansion of discount rates, terminal capitalization rates and overall capitalization rates based on recent market transactions, changes to cash flow assumptions, adjustments to land values in Toronto, and cost increases in the development portfolio.

In accordance with IAS 23 - Borrowing Costs, interest is capitalized on qualifying assets in connection with all costs required to get the assets ready for their intended use (refer to note 2 (g) in Allied's audited consolidated financial statements for the year ended December 31, 2025, for further details). This would include upgrade work as well as work completed in relation to a future development, such as obtaining zoning approval, completing site approval plans, and engineering and architectural drawings.

Qualifying assets include those properties in the development portfolio as well as areas of properties in the rental portfolio where capital investment is taking place to upgrade and/or reposition space (such as conversions from office to retail use, major floorplate reconfigurations, system infrastructure upgrades, or significant user build-outs/lobby transformations associated with repositioning initiatives). Interest is capitalized on the cost base of the property at the rate applicable to property-specific debt. If no property-specific debt exists, Allied's weighted average cost of debt is applied.

The cost base of qualifying assets includes predevelopment costs to acquire the land and building as well as incremental capital. Capitalization commences when the activities necessary to prepare an asset for development or redevelopment begin, ceases once the asset is substantially complete or if the development of the asset is suspended. The amount of borrowing costs capitalized is determined first by reference to borrowings specific to the project, where applicable. Where borrowings are associated with specific developments, the amount capitalized is the interest incurred on those specific borrowings. If there are no borrowings specific to the project, a weighted average cost of borrowings is applied to eligible expenditures after adjusting for borrowings associated with specific developments. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. On completion of upgrade and development activity, the ability to capitalize interest expense ends, partially offsetting the financial impact of lease commencement.

For the three months ended September 30, 2026, Allied capitalized \$5,052 of borrowing costs to qualifying assets, \$2,798 of which related to development activity, \$157 to upgrade activity in the rental portfolio and \$2,097 to residential inventory. The weighted average cost base of qualifying asset for the three months ended September 30, 2026, was \$506,480.

For the nine months ended September 30, 2026, Allied capitalized \$18,221 of borrowing costs to qualifying assets, \$10,598 of which related to development activity, \$1,252 to upgrade activity in the rental portfolio and \$6,371 to residential inventory. The weighted average cost base of qualifying asset for the nine months ended September 30, 2026, was \$607,369.

VALUATION METHODOLOGY AND PROCESS

In accordance with IFRS, Allied revalues all of its investment properties and investment properties held for sale for each reporting period.

Allied primarily uses the discounted cash flow (“DCF”) method to calculate the value of its properties. The DCF method applies discount rates to the projected annual operating cash flow, generally over a minimum ten-year period, including a terminal value of the properties based on a terminal capitalization rate applied to the estimated NOI, a non-GAAP measure, in the terminal year. The DCF method includes rental projections from contractual leases, operating cost recoveries and assumptions with respect to inflation, credit loss, turnover, and market leasing assumptions.

Where applicable, Allied also uses the 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. Allied primarily uses this method to value underutilized land, including properties with incremental density when allowed by IFRS. To reflect the value of future density, three criteria must be met: it must be financially feasible, legally permissible, and physically possible.

The other valuation methodology that is commonly used in real estate valuations is the direct capitalization method (“DCM”). Under this approach, capitalization rates are applied to the estimated stabilized NOI of the properties, less any costs incurred to lease-up vacancy. Allied uses this methodology primarily for stabilized multifamily properties, as applicable.

Allied engages a third-party professional appraiser to maintain the appraisal models and conclude on the appropriateness of the terminal capitalization rates and discount rates applied in each DCF model. The engagement is led by professional, independent and qualified appraisers who are designated Accredited Appraiser Canadian Institute members and hold their P.App designation.

Allied views the DCF method as the most robust methodology because it includes forecasted detailed cash flows, which capture expected turnover, contractual rental increases, and the ability to mark-to-market rental rates upon tenant expiry. Allied also assigns an overall capitalization rate to each property to compare to market data, which is typically quoted on an overall capitalization rate basis. Allied compares the valuation that would be obtained under the DCM approach using the overall capitalization rate to the value determined using the DCF method, as a reasonability check. Allied’s terminal capitalization rates used in the DCF model are typically 25-75 bps above the overall capitalization rates assigned, to reflect the risk and uncertainty over time.

Allied determines capitalization rates and discount rates by looking at both market reports and actual property sales. When a property is sold, it provides valuable market data that helps inform rate selection. Allied examines the details of each sale to understand factors that affect the capitalization rate, since each transaction is unique.

Allied compares the rates in the market to its own portfolio across a wide range of attributes. These include the intentions of the purchaser (such as owner-occupier, developer, or investor), the nature of the interest sold (freehold vs leasehold), and key location factors like proximity to transit, the urban core, and nearby amenities. Allied also considers the property’s retail and office mix, classification (Class A, B, I, etc.), user mix, user covenant strength, occupancy levels, and weighted average lease term. Physical characteristics such as building age, floor plate size, property condition, and frontage on major streets are reviewed, along with financial factors including in-place income, potential uptick, or erosion of rental rates upon lease expiry and rollover to market, expected turnover, and user credit risk. Collectively, these factors are analyzed to determine how appropriate the capitalization rates of sales in the market are as a benchmark for Allied’s properties.

KEY VALUATION ASSUMPTIONS

The weighted average rates utilized in the valuation of investment properties and investment properties held for sale are as follows:

	WEIGHTED AVERAGE	
	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Discount rate	6.90%	6.54%
Terminal capitalization rate	6.11%	5.71%
Overall capitalization rate	5.82%	5.33%

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 or 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	\$278,091	\$137,248	\$(133,756)	\$(264,120)

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	\$373,227	\$178,393	\$(163,971)	\$(315,219)

The table below further details the overall capitalization rates assigned to Allied's urban workspace portfolio as at September 30, 2026. While these rates are not direct inputs to the DCF model, Allied uses them for comparison to market data to determine the appropriateness of the terminal capitalization rate and discount rate used in each DCF model.

OVERALL CAPITALIZATION RATE	SEPTEMBER 30, 2026			DECEMBER 31, 2025		
	RANGE %	WEIGHTED AVERAGE %	FAIR VALUE \$	RANGE %	WEIGHTED AVERAGE %	FAIR VALUE \$
Toronto & Kitchener	5.00% - 7.00%	5.53%	\$3,890,155	4.50% - 6.75%	5.14%	\$4,463,430
Montréal	6.00% - 8.00%	6.39%	1,780,486	5.25% - 7.75%	5.74%	2,057,120
Vancouver	4.75% - 5.75%	5.20%	893,950	4.50% - 6.00%	5.17%	945,360
Calgary	7.00% - 9.50%	8.68%	145,846	7.00% - 9.50%	8.68%	137,954
Urban workspace ⁽¹⁾	4.75% - 9.50%	5.81%	\$6,710,437	4.50% - 9.50%	5.40%	\$7,603,864

(1) Urban workspace includes the retail component of office buildings and excludes the rental-residential portfolio of \$20,849, properties under development of \$220,460, investment properties held for sale of \$403,110 and properties held for future development of \$31,840 as at September 30, 2026 (December 31, 2025 - \$383,770, \$455,411, \$50,580 and \$nil, 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 nine months ended September 30, 2026, Allied did not acquire any investment properties.

During the nine months ended September 30, 2026, Allied completed the following dispositions of investment properties:

PROPERTY	DISPOSITION DATE	PROPERTY TYPE	GROSS PROCEEDS
183 Bathurst, Toronto	February 2, 2026	Office, retail	\$11,000
489 Queen E, Toronto	February 2, 2026	Office	10,000
70 Richmond E, Toronto	February 2, 2026	Office	8,000
400 Atlantic, Montréal	February 24, 2026	Office, retail	17,000
116 Simcoe, Toronto	June 12, 2026	Office	6,720
200 Adelaide W, Toronto	June 12, 2026	Office	11,030
208-210 Adelaide W, Toronto	June 12, 2026	Office	4,490
257 Adelaide W, Toronto	June 12, 2026	Office	15,210
Dominion Square, Toronto ⁽¹⁾	June 12, 2026	Office, retail	67,040
193 Yonge, Toronto	June 12, 2026	Office, retail	18,510
1185 West Georgia, Vancouver	June 15, 2026	Office, retail	74,000
1010 Sherbrooke W, Montréal	September 1, 2026	Office, retail	78,000
Total gross proceeds			\$321,000
Net working capital adjustments			(5,014)
Selling costs			(5,233)
Net cash consideration received			\$310,753

(1) Includes 468 Queen N, 468 Queen S and 478-496 Queen.

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

On September 8, 2026, Allied entered into an agreement to sell La Cité - 740 Saint-Maurice in Montréal for gross proceeds of \$14,750, which is expected to close in the fourth quarter of this year. On October 28, 2026, Allied entered into an agreement to sell Toronto House and 19 Duncan located in Toronto for gross proceeds of \$325,000, which is expected to close in the fourth quarter of this year, subject to Competition Act approval and customary closing conditions.

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.

The 97 properties (excluding investment properties held for sale) in Toronto comprise 5.2 million square feet of current rental portfolio GLA and are situated on 33.4 acres of underutilized land. With achievable rezoning, the underlying land in our Toronto portfolio could permit up to 11.0 million square feet of GLA, 5.8 million square feet more than currently is in place.

The 23 properties (excluding investment properties held for sale) in Montréal comprise 5.6 million square feet of current rental portfolio GLA and are situated on 33.5 acres of land. The underlying land in the Montréal portfolio could permit up to 7.7 million square feet of GLA, 2.1 million square feet more than currently is in place.

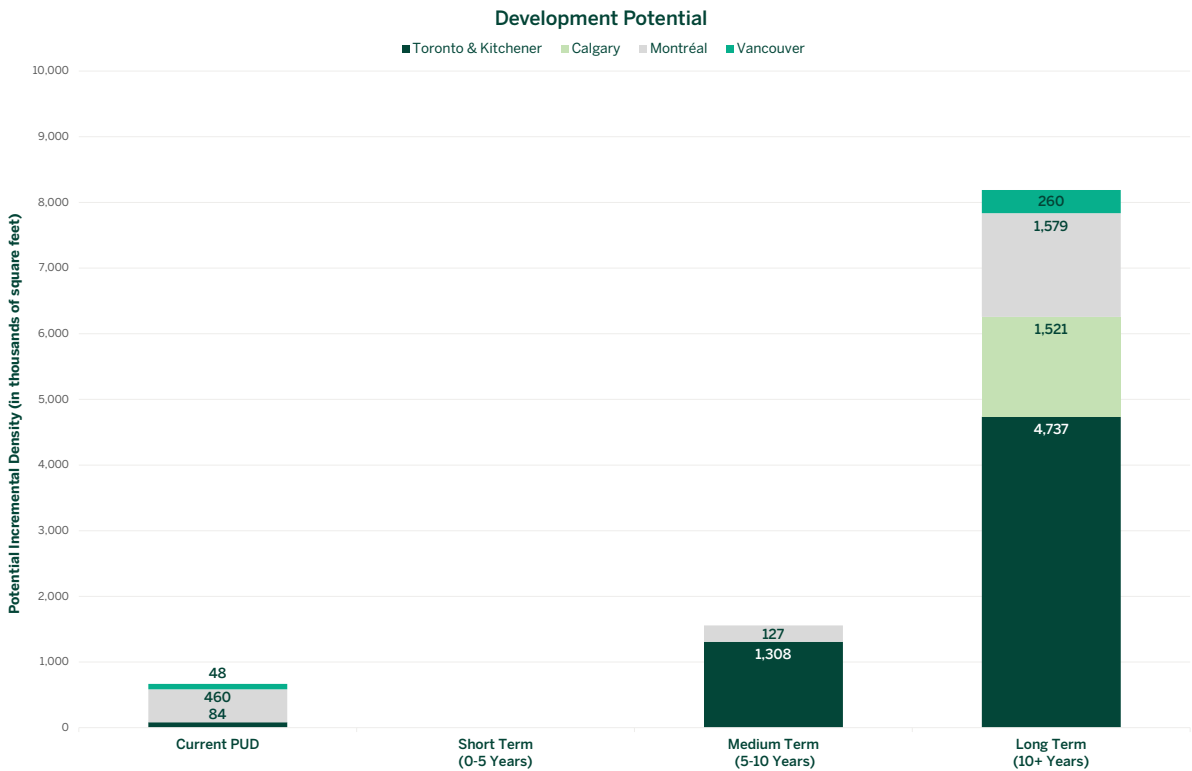
There is similar potential inherent in the rest of Allied's portfolio, which is quantified in the chart below. Across Canada on a portfolio-wide basis, there are 0.6 million square feet currently in PUD and 9.5 million square feet of potential incremental density, totalling 10.1 million square feet as at September 30, 2026. Of the 9.5 million square feet of potential incremental density, 5.6 million square feet is reflected in the appraised fair values. The remaining 3.9 million square feet is not reflected in the appraised fair values.

The table below summarizes the potential incremental density by city:

CITY	CURRENT RENTAL PROPERTIES	CURRENT PUD (ESTIMATED ON COMPLETION)	POTENTIAL DENSITY FROM ZONING COMPLETED OR IN PROGRESS ⁽¹⁾	ADDITIONAL POTENTIAL DENSITY ⁽¹⁾	TOTAL POTENTIAL GLA
Toronto	5,235,632	84,000	3,296,100	2,415,562	11,031,294
Kitchener	708,448	—	—	333,227	1,041,675
Montréal	5,550,847	459,819	1,071,387	635,160	7,717,213
Calgary	1,220,722	—	—	1,520,868	2,741,590
Vancouver	1,090,475	47,742	214,997	45,035	1,398,249
Total	13,806,124	591,561	4,582,484	4,949,852	23,930,021

(1) Includes properties held for future development.

The timing of development for the 9.5 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. 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 and successful lease-up of space. 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 September 30, 2026, the cost of the Properties Under Development was 5.8% of GBV (December 31, 2025 - 7.6%). This self-imposed limitation is intended to align the magnitude of Allied's development activity with the overall size of the business.

Properties Under Development consist of properties purchased with the intention of being developed or redeveloped before being operated and properties transferred from the rental portfolio once activities changing the condition or state of the property, such as the de-leasing process commences. 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 five Properties Under Development, of which one is a ground-up development and four are redevelopments. Of the five properties under development, four are partially in the rental portfolio.

The following table sets out the Properties Under Development as at September 30, 2026, 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	ANNUAL NOI	TOTAL COST ⁽¹⁾	YIELD ON COST	COST TO COMPLETE	% LEASED
Ground-up development									
KING Toronto, Toronto - Commercial ⁽²⁾	50%	Q2 2027 to Q3 2027	23,000	61,000	5,000 - 6,000	\$177,511	2.8% - 3.4%	\$45,958	20%
Redevelopments⁽³⁾⁽⁴⁾									
375 Water, Vancouver	100%	Q1 2027 to Q2 2027	43,779	3,963	2,000 - 2,200	81,734	2.4% - 2.7%	4,596	— %
1001 Boulevard Robert-Bourassa, Montréal	100%	Q1 2027	196,326	21,217	5,800 - 5,900	145,565	4.0% - 4.1%	1,974	43%
RCA Building, Montréal	100%	Q4 2026	128,986	30,310	2,700 - 3,000	100,937	2.7% - 3.0%	2,446	40%
747 Square-Victoria, Montréal	100%	Q1 2027 to Q2 2027	63,944	19,036	1,100 - 1,300	57,582	1.9% - 2.3%	10,778	— %
Total			456,035	135,526	\$16,600 - \$18,400+	\$563,329		\$65,752	

(1) Total cost includes the pre-development costs to acquire land and building (excluding any fair value adjustments).

(2) KING Toronto includes a residential component.

(3) Includes redevelopment projects with phased completions. Reported total cost and expected yield may vary as phases are completed or as future phases are added to the redevelopment activity. The GLA represents the portion of the property that is under development.

(4) Excluding the pre-development costs, the yield on cost on the redevelopments would be 7.2% - 7.7%.

Properties held for future development are fully vacant properties within Allied's portfolio that are not currently under active development or redevelopment and are not being marketed for leasing. In their current condition, these properties are not leasable and are being held for future intensification and development opportunities. As at September 30, 2026, Allied had four properties, 12 Brant, 135-137 George, 139-141 George and 387 Adelaide W, located in Toronto, classified as properties held for future development.

The following table summarizes Management's estimates as at September 30, 2026, with respect to the financial outcome on completion of the KING Toronto development, which has a commercial and residential component.

PROPERTY NAME	OWNERSHIP	COMPLETION DATE	ESTIMATED	
			TOTAL COST	COST TO COMPLETE
KING Toronto, Toronto - Residential ⁽¹⁾	50%	Q2 2027 to Q4 2027	\$367,612	\$70,967
KING Toronto, Toronto - Commercial	50%	Q2 2027 to Q3 2027	\$177,511	\$45,958
Total			\$545,123	\$116,925

(1) The estimated gross proceeds are \$271,000 - \$282,500 from the sale of the residential inventory. The residential component consists of 440 units. As at September 30, 2026, 406 units or 92% have been pre-sold, subject to customary closing conditions. Management expects condominium occupancy to begin in the second quarter of 2027 and continue in phases until the fourth quarter of 2027. Condominium registration is anticipated in the third quarter of 2027 and closing of sold condominium units and related proceeds are expected in the fourth quarter of 2027.

During the third quarter, the maturity date on the KING Toronto construction lending facility was extended from July 31, 2026 to January 31, 2028 and the maturity date on the loan receivable related to the KING Toronto project was extended from March 31, 2027 to February 29, 2028, due to construction delays. These extensions will support continued construction, with project completion expected before the Tarion outside occupancy date of May 31, 2028, when the condominium units must be delivered to the purchasers, otherwise, they are entitled to have their deposits returned.

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, 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.

As at December 31, 2025, Allied had ground-up and redevelopment projects that were expected to contribute stabilized NOI of \$77,000 to \$96,000 throughout 2027 and 2028, subject to successful lease-up of any vacancy. As at September 30, 2026, completed projects have contributed \$68,285 based on this quarter's annualized NOI. Allied expects annualized incremental NOI of \$19,393 in 2027 primarily from rent commencement at 108 East 5th Avenue in Vancouver and 1001 Boulevard Robert-Bourassa and RCA Building - 1001 Lenoir Street in Montréal.

LOANS RECEIVABLE

The table below summarizes the loans receivable as at September 30, 2026, and December 31, 2025:

	MATURITY DATE	SEPTEMBER 30, 2026	DECEMBER 31, 2025
KING Toronto ⁽¹⁾	February 29, 2028	\$249,350	\$216,080
Breithaupt Phase III ⁽²⁾	N/A	7,958	8,928
150 West Georgia	December 31, 2026	271,829	248,638
		\$529,137	\$473,646
Expected credit loss on loans receivable		(172,000)	(128,000)
Total loans receivable		\$357,137	\$345,646

(1) The facility matures at the earlier of February 29, 2028, or the closing of the condominium units.

(2) The loan is repayable in installments.

Allied has a joint arrangement with Westbank to develop KING Toronto. During the third quarter of 2026, the KING Toronto loan receivable limit was increased by \$178,586 to a principal amount not to exceed \$350,000, plus interest, and the maturity date was extended from March 31, 2027 to February 29, 2028. Under this arrangement, Allied advanced loans in the principal amount totalling \$181,595, plus interest, to Westbank as at September 30, 2026. Of the total principal amount advanced, \$73,414 bears interest at the greater of 7.00% per annum or prime plus 3.00% per annum, and the remaining principal of \$108,181 bears interest at prime plus 8.00% per annum. As at September 30, 2026, accrued interest of \$67,755 is included in the outstanding balance of \$249,350.

The KING Toronto loan receivable is expected to be settled through a partial cash payment and conversion to equity in the commercial component resulting in Allied owning 100% following repayment in full of the construction loan.

The 150 West Georgia loan accrues interest at 7% per annum. With entitlement and power-allocation for a large-scale AI data centre in place, the property is marketed for development and operation by others. Allied also has additional collateral as part of this loan facility in the form of a pledge of shares in a subsidiary partially owned by Westbank. As at September 30, 2026, accrued interest of \$69,051 is included in the outstanding balance of \$271,829.

Allied assesses expected credit losses on an individual loan basis. Refer to note 7 of the unaudited condensed consolidated financial statements for further details.

During the three and nine months ended September 30, 2026, Allied recorded an additional expected credit loss of \$nil and \$44,000, respectively, which reflects higher assessed credit risk, driven by a greater probability of closing risks in a softening condominium market and lower expected proceeds due to construction delays and higher estimated costs to complete.

Based on assessment completed by Allied, the KING Toronto and 150 West Georgia loans receivable outstanding from Westbank were concluded to be credit-impaired.

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. Allied's objective is to maximize financial flexibility while continuing to strengthen the balance sheet. As at September 30, 2026, 89.0% of investment properties were unencumbered.

As at September 30, 2026, Allied's liquidity of \$633,127 is comprised of cash and cash equivalents of \$75,298, the available portion of its unsecured revolving operating facility of \$791,679 and excludes the minimum project liquidity Allied has covenanted to maintain on the KING Toronto construction loan of \$233,850.

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 13, as at September 30, 2026, and December 31, 2025. As at September 30, 2026, 98.71% of Allied's debt is at a fixed rate (December 31, 2025 - 99.98%).

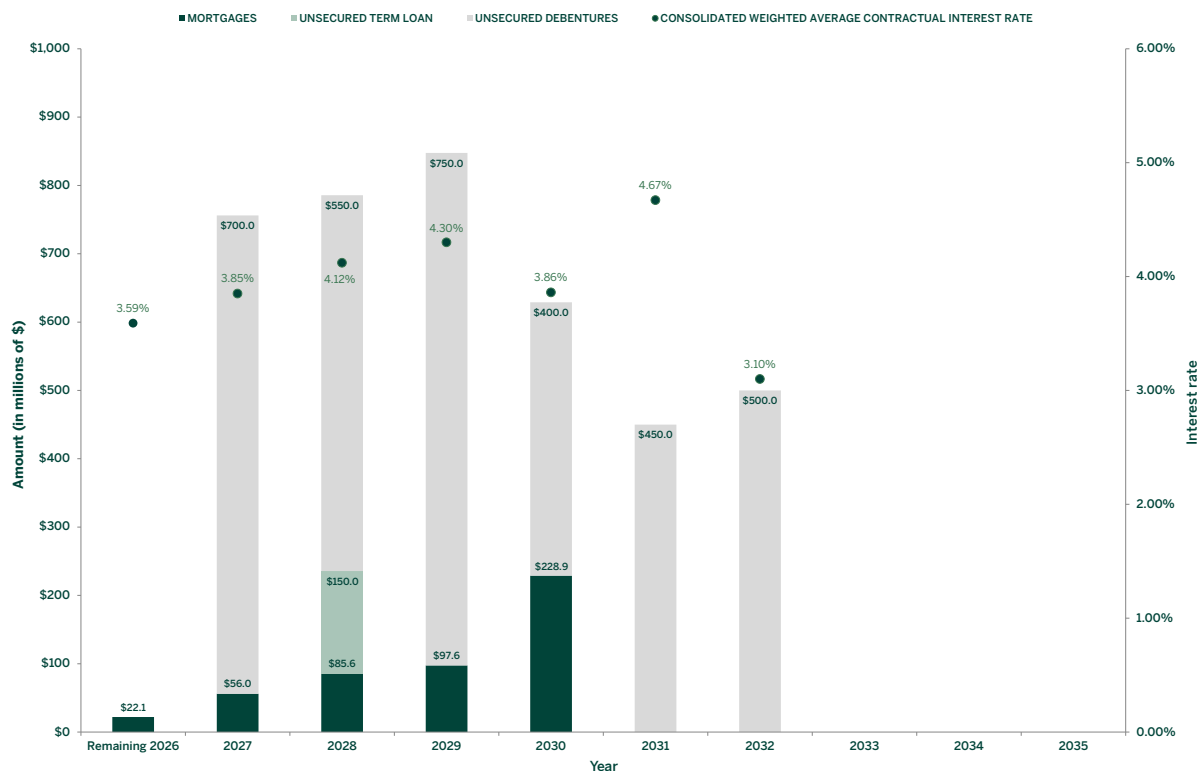
	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Mortgages payable	\$486,587	\$491,101
Construction loan payable	102,505	99,900
Unsecured revolving operating facility	—	51,000
Senior unsecured debentures	3,342,359	3,939,944
Unsecured term loans	149,751	99,818
Debt, GAAP basis	\$4,081,202	\$4,681,763
Less: cash and cash equivalents	75,298	96,609
Net debt	\$4,005,904	\$4,585,154

Allied has a swap agreement with a financial institution to fix the rate on a notional amount of variable-rate debt of \$250,000 by swapping the floating Adjusted CORRA for fixed interest payments at an interest rate of 2.096% plus the relevant spread of the variable-rate debt. The all-in fixed interest rate for the variable-rate debt, including the spread to which this swap applies to, ranges from 3.496% to 4.091% for the nine months ended September 30, 2026 (December 31, 2025 - 3.496% to 3.841%). This swap matures on January 14, 2031. Allied first applies this swap to the unsecured term loans, and the remaining balance is then applied to the unsecured revolving operating facility. If the swap exceeds the balance of the unsecured revolving operating facility at any point in time, Allied applies the swap to other variable-rate debt outstanding at the time.

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 2026	\$22,077	3.59%	\$—	—%	\$—	—%	\$22,077	3.59%
2027	56,040	4.76	700,000	3.79	—	—	756,040	3.85
2028	85,589	4.43	550,000	4.22	150,000	3.60	785,589	4.12
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	—	—	450,000	4.67	—	—	450,000	4.67
2032	—	—	500,000	3.10	—	—	500,000	3.10
	\$490,292	4.82%	\$3,350,000	3.90%	\$150,000	3.60%	\$3,990,292	3.99%

The chart below summarizes the maturities of principal for Allied's debt (excluding the construction loan and the unsecured revolving operating facility), which has a weighted average term of 2.8 years, as at September 30, 2026 (December 31, 2025 - 3.1 years):



The table below summarizes the weighted average effective interest rate as at September 30, 2026, and December 31, 2025:

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Mortgages payable	4.82%	4.82%
Senior unsecured debentures	3.90%	3.57%
Unsecured term loans	3.60%	3.50%
Unsecured revolving operating facility	4.09%	3.84%
Total weighted average effective interest rate	3.99%	3.70%

MORTGAGES PAYABLE

Mortgages payable with a fixed rate have a weighted average contractual interest rate of 4.82% as at September 30, 2026 (December 31, 2025 - 4.82%). There were no variable rate mortgages payable as at September 30, 2026, and December 31, 2025. The weighted average term of the mortgage debt is 2.8 years (December 31, 2025 - 3.5 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	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Remaining 2026	\$1,634	\$20,443	\$22,077	
2027	6,040	50,000	56,040	
2028	6,132	79,457	85,589	
2029	6,139	91,498	97,637	
2030	6,358	222,591	228,949	
Mortgages, principal	\$26,303	\$463,989	\$490,292	\$495,331
Net financing costs			(3,705)	(4,230)
			\$486,587	\$491,101

CONSTRUCTION LOAN PAYABLE

As at September 30, 2026, and December 31, 2025, Allied's obligations relating to the construction loan payable is as follows:

	OWNERSHIP	FACILITY LIMIT	DATE OF MATURITY	CONTRACTUAL INTEREST RATE ⁽¹⁾	STANDBY FEE AND LETTER OF CREDIT FEE ⁽¹⁾	SEPTEMBER 30, 2026	DECEMBER 31, 2025
KING Toronto	50%	\$108,265	January 31, 2028	Prime + 0.70% or Adjusted CORRA + 1.70%	0.34% and 1.15%	\$102,505	\$99,900
						\$102,505	\$99,900

(1) On July 21, 2026, the interest rate increased for the construction loan from Prime + 0.45% or Adjusted CORRA + 1.45% to Prime + 0.70% or Adjusted CORRA + 1.70%. The standby fee and letter of credit fee increased from 0.25% and 1.00% to 0.34% and 1.15%, respectively.

Allied and Westbank have a construction lending facility for the KING Toronto joint arrangement from a syndicate of Canadian banks. On July 21, 2026, the maturity date of the construction lending facility for KING Toronto was extended from July 31, 2026, to January 31, 2028, and the facility limit was amended from \$223,747 to \$108,265 at Allied's share. The facility bears interest at prime plus 70 basis points or adjusted CORRA plus 170 basis points with a standby fee of 34 basis points and a letter of credit fee of 115 basis points. Allied is providing a joint and several guarantee of the facility. As guarantor, Allied has covenanted to maintain minimum project liquidity, through cash or availability under its unsecured revolving operating facility, equal to the project's estimated remaining cost to complete.

UNSECURED REVOLVING OPERATING FACILITY

As at September 30, 2026, and December 31, 2025, Allied's obligation relating to the unsecured revolving operating facility (the "Unsecured Facility") is as follows:

MATURITY DATE	CONTRACTUAL INTEREST RATES ON DRAWINGS ⁽¹⁾	SEPTEMBER 30, 2026				
		STANDBY FEE	FACILITY LIMIT ⁽²⁾	DRAWINGS	LETTERS OF CREDIT	AMOUNT AVAILABLE
September 28, 2029	Prime + 0.70% or Adjusted CORRA + 1.70%	0.34%	\$800,000	\$—	\$(8,321)	\$791,679

(1) The interest rates for this facility are subject to certain conditions being met. On February 18, 2026, the interest rate increased for the Unsecured Facility from prime + 0.45% or Adjusted CORRA + 1.45% to prime + 0.70% or Adjusted CORRA + 1.70%.

(2) This Unsecured Facility contains a \$100,000 accordion feature, allowing Allied to increase the amount available under the facility to \$900,000.

On September 29, 2026, Allied updated the Unsecured Facility to extend the maturity date to September 28, 2029.

MATURITY DATE	CONTRACTUAL INTEREST RATES ON DRAWINGS ⁽¹⁾	DECEMBER 31, 2025				
		STANDBY FEE	FACILITY LIMIT ⁽²⁾	DRAWINGS	LETTERS OF CREDIT	AMOUNT AVAILABLE
September 29, 2028	Prime + 0.45% or Adjusted CORRA + 1.45%	0.29%	\$800,000	\$(51,000)	\$(9,253)	\$739,747

(1) The interest rates for this facility are subject to certain conditions being met. On February 18, 2026, the interest rate increased for the Unsecured Facility from prime + 0.45% or Adjusted CORRA + 1.45% to prime + 0.70% or Adjusted CORRA + 1.70%.

(2) This Unsecured Facility contains a \$100,000 accordion feature, allowing Allied to increase the amount available under the facility to \$900,000.

SENIOR UNSECURED DEBENTURES

As at September 30, 2026, and December 31, 2025, Allied's obligations relating to the senior unsecured debentures are as follows:

SERIES	CONTRACTUAL INTEREST RATE	DATE OF MATURITY	INTEREST PAYMENT DATE	SEPTEMBER 30, 2026	DECEMBER 31, 2025
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
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	450,000
Series L	4.258% ⁽¹⁾	April 7, 2027	January 7, April 7, July 7 and October 7	150,000	150,000
Series M	4.312%	April 7, 2027	April 7 and October 7	250,000	250,000
Series N	4.667%	September 25, 2031	March 25 and September 25	450,000	450,000
Senior unsecured debentures, principal				\$3,350,000	\$3,950,000
Net financing costs				(7,641)	(10,056)
				\$3,342,359	\$3,939,944

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

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

On February 12, 2026, Allied repaid the \$600,000 aggregate principal amount of 1.726% Series H senior unsecured debentures upon maturity.

UNSECURED TERM LOANS

As at September 30, 2026, and December 31, 2025, Allied's obligation relating to the unsecured term loans is as follows:

	CONTRACTUAL INTEREST RATE	DATE OF MATURITY	FREQUENCY OF INTEREST PAYMENT	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Unsecured term loan ⁽¹⁾	Prime + 0.40% or Adjusted CORRA + 1.40%	January 14, 2028	Monthly	\$100,000	\$100,000
Unsecured term loan ⁽²⁾	Prime + 0.70% or Adjusted CORRA + 1.70%	January 31, 2028	Monthly	50,000	—
Unsecured term loans, principal				\$150,000	\$100,000
Net financing costs				(249)	(182)
				\$149,751	\$99,818

(1) The all-in fixed interest rate on this swapped debt is 3.496% as at September 30, 2026 (December 31, 2025 - 3.496%).

(2) The all-in fixed interest rate on this swapped debt is 3.796% as at September 30, 2026 (December 31, 2025 - N/A).

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

On August 31, 2026, Allied entered into an unsecured term loan with a financial institution for \$50,000 at a rate of prime plus 70 basis points or adjusted CORRA plus 170 basis points, due on January 31, 2028. The proceeds from the loan were used to repay the Unsecured Facility. Debt financing costs of \$136 were incurred and recorded against the principal owing.

CREDIT RATINGS

Allied’s credit ratings as at September 30, 2026, are summarized below:

	RATING AGENCY	LONG-TERM CREDIT RATING	TREND
Issuer Rating & Unsecured Debentures	DBRS Limited	BBB (low)	Stable

DBRS Limited (“DBRS”) provides issuer ratings and credit ratings of debt securities for commercial issuers that indicate the risk associated with a borrower’s capabilities to fulfill its obligations. The minimum DBRS investment grade rating is “BBB (low),” with the highest rating being “AAA.”

On February 18, 2026, DBRS changed Allied’s issuer rating and senior unsecured debentures rating to BBB (low) with stable trends from BBB with negative trends.

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 loan 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.

COVENANT ⁽¹⁾	THRESHOLD	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Indebtedness ratio	Below 60%	50.2%	50.7%
Secured indebtedness ratio	Below 45%	7.3%	6.4%
Debt service coverage ratio ⁽²⁾	Consolidated adjusted EBITDA to be more than 1.5 times debt service payments	1.8x	2.0x
Minimum Unitholders' Equity	At least \$2,800,000 plus 75% of future equity issuances	\$3,586,198	\$4,016,202
Unencumbered property assets value ratio	Unencumbered property assets to be more than 1.4 times total unsecured debt	1.9x	1.8x
Restricted payment payout ratio	Maintain restricted payments below 100% of FFO for four consecutive quarters	79.7%	90.2%

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

(2) The debt service coverage ratio for the year ended September 30, 2026, includes financing prepayment costs of \$nil (for the year ended December 31, 2025 - \$734 for the accelerated amortization of deferred financing costs in connection with the early repayment of an unsecured term loan and the refinancing of the Unsecured Facility). Excluding these financing prepayment costs, the debt service coverage ratio as at September 30, 2026, would be 1.8x (December 31, 2025 - 2.0x).

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 in line with the trust indenture, as defined on page 13.

COVENANT ⁽¹⁾	THRESHOLD	SEPTEMBER 30, 2026	DECEMBER 31, 2025
<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	1.9x	2.0x
<i>Pro forma</i> asset coverage test	Maintain net consolidated indebtedness below 65% of net aggregate assets on a <i>pro forma</i> basis	50.5%	51.1%
Equity maintenance	Maintain Unitholders' equity above \$300,000	\$3,586,198	\$4,016,202
<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	2.0x	2.0x

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

As at September 30, 2026, 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 loan 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 nine months ended September 30, 2026, and the year ended December 31, 2025:

	NUMBER ISSUED AND OUTSTANDING	AMOUNT
Balance at January 1, 2025	127,955,983	\$4,545,196
Restricted Unit Plan (net of forfeitures)	—	(2,044)
Balance at December 31, 2025	127,955,983	\$4,543,152
Restricted Unit Plan (net of forfeitures)	—	(1,715)
Unit Issuance (net of issuance costs)	56,000,000	535,760
Balance at September 30, 2026	183,955,983	\$5,077,197

On February 18, 2026, Allied raised total gross proceeds of \$560,000 through a public offering issuance of 40,000,000 Units and a concurrent private placement issuance of 16,000,000 Units at a price of \$10.00 per Unit. Costs relating to the issuance totaled \$24,240 which were applied against the gross proceeds of the issuance and charged against Unitholders' equity.

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 nine months ended September 30, 2026, and the year ended December 31, 2025.

	NUMBER ISSUED AND OUTSTANDING	AMOUNT
Balance at January 1, 2025	11,809,145	\$202,527
Fair value gain on Exchangeable LP Units	—	(44,639)
Balance at December 31, 2025	11,809,145	\$157,888
Fair value gain on Exchangeable LP Units	—	(74,043)
Balance at September 30, 2026	11,809,145	\$83,845

The weighted average number of Units and Exchangeable LP Units for the purpose of calculating both basic and diluted income per unit is as follows:

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Units	183,955,983	127,955,983	174,109,829	127,955,983
Exchangeable LP Units	11,809,145	11,809,145	11,809,145	11,809,145
Total units - basic and diluted	195,765,128	139,765,128	185,918,974	139,765,128

As at October 28, 2026, 183,955,983 Units and 1,535,065 options to purchase Units were issued and outstanding.

NORMAL COURSE ISSUER BID

On February 24, 2026, Allied received approval from the TSX for the renewal of its normal course issuer bid ("NCIB"), which entitles Allied to purchase up to 18,215,302 of its outstanding Units, representing approximately 10% of its public float as at February 18, 2026. The NCIB commenced February 26, 2026, and will expire on February 25, 2027, 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 nine months ended September 30, 2026, Allied purchased 182,219 Units for \$1,715 at a weighted average price of \$9.41 for delivery to participants under Allied's Restricted Unit Plan.

DISTRIBUTIONS

During the nine months ended September 30, 2026, Allied maintained monthly distributions to Unitholders of \$0.06 per unit, representing \$0.72 per unit on an annualized basis.

On October 15, 2026, Allied declared a distribution for the month of October 2026 of \$0.06 per unit, representing \$0.72 per unit on an annualized basis to Unitholders of record as at October 30, 2026.

On October 15, 2026, the Partnership declared a distribution for the month of October 2026 of \$0.06 per Exchangeable LP Unit, representing \$0.72 per Exchangeable LP Unit on an annualized basis to holders of the Exchangeable Units as at October 30, 2026, for which Choice Properties elected to receive a loan in lieu of the distribution.

On October 28, 2026, the Board decided to reduce monthly distributions to Unitholders by 90% to \$0.072 per unit on an annualized basis, beginning with the distribution for the month of November 2026.

Allied's current distribution plan is to maintain monthly distributions of \$0.072 per unit on an annualized basis. Allied will continue to evaluate its distribution policy, as appropriate.

SOURCES OF DISTRIBUTIONS

For the three and nine months ended September 30, 2026, Allied declared \$35,239 and \$102,353, (September 30, 2025 - \$62,895 and \$188,683), including distributions to holders of the Exchangeable LP Units of \$2,126 and \$6,377, respectively (September 30, 2025 - \$5,314 and \$15,942). The tables below summarize the excess or deficit of certain GAAP and non-GAAP measures over distributions declared:

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Net loss and comprehensive loss	\$21,751	\$(113,389)	\$(869,645)	\$(315,789)
Less: Distributions declared	35,239	62,895	102,353	188,683
Deficit of net loss over distributions declared	\$(13,488)	\$(176,284)	\$(971,998)	\$(504,472)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Cash provided by operating activities ⁽¹⁾	\$3,959	\$92,801	\$41,474	\$140,253
Less: Distributions declared	35,239	62,895	102,353	188,683
(Deficit) excess of cash flows provided by operating activities over distributions declared	\$(31,280)	\$29,906	\$(60,879)	\$(48,430)

(1) The cash flows provided by operating activities for the three and nine months ended September 30, 2026 and September 30, 2025, includes other non-cash operating items related to properties under development and additions to residential inventory.

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
AFFO excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation ⁽¹⁾	\$21,595	\$61,152	\$91,020	\$190,084
Less: Distributions declared	35,239	62,895	102,353	188,683
(Deficit) 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	\$(13,644)	\$(1,743)	\$(11,333)	\$1,401
AFFO excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation payout ratio ⁽¹⁾	163.2%	102.9%	112.5%	99.3%

(1) This is a non-GAAP measure, as defined on page 13.

Allied reviews the level and sustainability of its distributions quarterly. In reviewing the distribution against the macroeconomic backdrop, which includes the interest rate environment and company performance, the Board has decided to reduce the monthly distribution by 90% to \$0.006 per unit per month (\$0.072 per unit annualized) beginning with the distribution for the month of November 2026. The decision aligns with Allied's prioritization of balance sheet strengthening with cash savings of approximately \$126 million annually directed to debt reduction. The previously announced distribution of \$0.06 per unit for the month of October 2026 will be payable on November 16, 2026.

In determining the level of distributions to Unitholders, Allied's Board considers many factors, including its Declaration of Trust, macroeconomic and industry specific environments, the overall financial condition of Allied, cash flow, future capital requirements, debt refinancing, debt covenants and taxable income. Allied's taxable income is calculated in accordance with tax legislation and includes a reduction for capital cost allowance taken on behalf of Unitholders. Declared distributions may exceed actual cash available to Allied from time to time because of items such as principal repayments of debt, user inducements, leasing commissions and capital expenditures. Any excess of distributions over cash provided by operating activities may represent a return of capital and would then be funded by the Unsecured Facility. For the three and nine months ended September 30, 2026, Allied elected to provide distributions partly representing a return of capital in order to maintain the stability of distribution levels.

The rate of distribution as at September 30, 2026, amounts to \$0.72 per unit per annum (December 31, 2025 - \$1.71 per unit per annum). See note 14 of the unaudited condensed consolidated financial statements for the three and nine months ended September 30, 2026 for further details.

OFF-BALANCE SHEET ARRANGEMENTS

Allied has entered into commitments relating to development and upgrade activity. The commitments as at September 30, 2026, were \$101,049 (December 31, 2025 - \$105,834).

Allied has issued letters of credit in the amount of \$12,927 as at September 30, 2026 (December 31, 2025 - \$13,872).

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 and nine months ended September 30, 2026, 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 September 30, 2026, that have materially affected, or are reasonably likely to materially affect, Allied’s internal controls over financial reporting.

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 five 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 2025 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 48.

In evaluating lease roll-over risk, it is informative to determine Allied's sensitivity to a decline in occupancy. As at September 30, 2026, Allied had total GLA in the rental portfolio of 13,806,124 square feet, of which 84.9% is occupied. The weighted average annual rental revenue is approximately \$47.97 per square foot, therefore for every full-year decline of 100 basis points in occupancy, Allied's annual rental revenue would decline by approximately \$5,620. 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.

RELIANCE ON KEY PERSONNEL

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

FINANCIAL RISKS AND RISK MANAGEMENT

AVAILABILITY OF CASH FLOW; PRESENT AND FUTURE DISTRIBUTIONS

Allied reduced its cash distributions to Unitholders in December 2025 and further reduced distributions to Unitholders by 90% effective as of November 2026. There can be no assurance that Allied will reinstate distributions to previous levels and, if reinstated, there can be no assurance as to the timing or amount thereof or that further reductions or suspensions will not occur in the future. Any decision as to the level and sustainability of distributions, shall be determined by Allied's board of trustees and is based on numerous factors, including provisions of the Declaration of Trust, macroeconomic and industry specific environments, the overall financial condition of Allied, cash flow, future capital requirements, debt covenants and taxable income. Changes in any of these factors, some of which are beyond Allied's control, may adversely affect Allied's ability to make distributions at current levels or at all.

Distributions are not guaranteed, and investors should not rely on past or current distribution levels as an indication of Allied's future distribution policy. Distributable income may exceed actual cash available to Allied from time to time because of items such as principal repayments of debt, user inducements, leasing commissions and capital expenditures, if any. Allied may be required to use part of its debt capacity or reduce distributions in order to accommodate such items. In addition, Allied may determine that retaining cash to strengthen its balance sheet, fund capital investment, or preserve financial flexibility is in the best interest of Allied, which could result in further reduction or suspension of distributions. Allied's decision to reduce distributions, and any further reduction or suspension thereof, or the perception that such a reduction or suspension may occur, could have a material adverse effect on the market value of the Units, reduce investor demand for the Units, increase volatility in the trading price of the Units, and adversely affect Allied's business, financial condition, and results of operations.

FINANCING, COVENANT AND INTEREST RATE RISK; ACCESS TO CAPITAL

Allied is subject to risk associated with debt financing. Increases in indebtedness may limit Allied's financial and operating flexibility. 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. All 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.

A substantial portion of Allied's indebtedness is subject to various financial covenants. There can be no assurance that Allied will be able to comply with all such covenants at all times, particularly during periods of operational stress, rising interest rates, declining property values, increased vacancy rates, reduced rental income, higher refinancing costs, or adverse economic or market, or conditions. A deterioration in Allied's operating or financial performance, or adverse changes in macroeconomic or market conditions, could increase the risk of a breach of one or more covenants under its debt agreements.

A breach of covenant that is not cured within any applicable grace or cure period may constitute an event of default under the applicable debt instrument. Upon the occurrence of an event of default, lenders may have the right, subject to the terms of the relevant agreements, to accelerate repayment of all or a portion of the outstanding indebtedness, terminate committed credit facilities, refuse to advance further funds under existing credit facilities, increase interest rates, or exercise other remedies under the applicable debt instrument. If indebtedness were accelerated or lenders otherwise sought to exercise available remedies, Allied may be unable to refinance or repay such indebtedness on commercially reasonable terms, or at all. In such circumstances, Allied could be forced to seek waivers or amendments from lenders, which may be costly and may impose additional restrictions or increase borrowing costs. There can be no assurance that any such waivers, amendments, or refinancing arrangements would be available on favourable terms or at all. Allied's ability to incur additional indebtedness or raise capital may be limited, and the claims of secured creditors would generally have priority over the claims of Unitholders with respect to any encumbered properties.

Interest rates on debt for mortgages payable, Unsecured Debentures and Unsecured Term Loans are between 3.10% and 5.53% with a weighted average contractual interest rate of 3.99%. Allied's weighted average term of debt (excluding a construction loan and the Unsecured Facility) is 2.8 years. Refer to note 10(b) and (c) of the unaudited condensed consolidated financial statements for further details.

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 70.

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 22.5% of rental revenue.

As Allied has provided loans and advances to facilitate property development, Allied's assessment of credit risk takes into consideration its borrower's financial position, status of corporate guarantees, construction and leasing status on development projects, status of principal and interest payments, and the underlying value of the borrower's security or collateral. 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 September 30, 2026, Allied had \$529,137 in loans and notes receivable outstanding excluding expected credit loss, the majority of which is loaned to affiliates of a single private company. As a result of the assessment based on the factors described above, Allied recorded an additional expected credit loss on loans receivable for the three and nine months ended September 30, 2026 of \$nil and \$44,000, respectively, bringing the total expected credit loss on loans receivable as at September 30, 2026 to \$172,000. 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.

OTHER RISKS

LITIGATION RISK

Allied is subject to legal and other claims in the normal course of business, including claims related to personal injury, property damage, property taxes, land rights, employee and user disputes, regulatory compliance matters and contractual and other commercial disputes. Allied may also, from time to time, face broader litigation exposure, including potential securities class actions. Defending such claims is potentially costly and time-consuming and may lead to significant monetary judgments, settlements, or regulatory penalties. The final resolution of any such proceeding cannot be predicted. Although Allied maintains insurance coverage consistent with industry practice, such insurance may not cover all liabilities or may be subject to limits or exclusions. The resolution of any such actions may have an adverse effect on Allied's business, financial condition and results of operations.

Section X

–Property Table

SEPTEMBER 30, 2026
PROPERTIES

	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased GLA	Total Leased GLA	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%
The Castle - 135 Liberty	55,861	—	55,861		4,288	51,573	92.3%
The Castle - 41 Fraser	14,857	—	14,857		14,857	—	—%
The Castle - 47 Fraser	7,468	3,480	10,948		—	10,948	100.0%
The Castle - 49 Fraser	17,472	—	17,472		10,363	7,109	40.7%
The Castle - 53 Fraser	78,797	—	78,797		14,091	64,706	82.1%
The Castle - 8 Pardee	—	2,681	2,681		—	2,681	100.0%
King West	320,658	6,161	326,819	2.4%	43,599	283,220	86.7%
141 Bathurst	10,101	—	10,101		2,208	7,893	78.1%
241 Spadina	24,827	6,046	30,873		—	30,873	100.0%
379 Adelaide W	36,923	3,167	40,090		14,588	25,502	63.6%
383 Adelaide W	4,515	—	4,515		—	4,515	100.0%
420 Wellington W	31,306	3,030	34,336		—	34,336	100.0%
422-424 Wellington W	—	15,316	15,316		—	15,316	100.0%
425 Adelaide W	70,892	3,809	74,701		917	73,784	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%
441-443 King W	6,377	2,904	9,281		—	9,281	100.0%
445-455 King W	31,548	16,304	47,852		11,986	35,866	75.0%
460 King W	10,608	4,348	14,956		—	14,956	100.0%
461 King W	38,717	35,833	74,550		—	74,550	100.0%
468 King W	55,154	—	55,154		—	55,154	100.0%
469 King W	60,646	12,273	72,919		18,485	54,434	74.6%
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	44,163	21,598	65,761		19,519	46,242	70.3%
522 King W	28,911	21,863	50,774		—	50,774	100.0%
540 King W	—	5,935	5,935		3,440	2,495	42.0%
544 King W	16,340	—	16,340		8,491	7,849	48.0%
552-560 King W	6,784	17,395	24,179		—	24,179	100.0%
555 Richmond W	296,048	1,850	297,898		87,890	210,008	70.5%
579 Richmond W	26,818	—	26,818		—	26,818	100.0%
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	78,094	8,240	86,334		36,661	49,673	57.5%
King Portland Centre - 602-606 King W ⁽¹⁾	19,208	6,364	25,572		19,878	5,694	22.3%

SEPTEMBER 30, 2026
PROPERTIES

	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased GLA	Total Leased GLA	Leased %
King Portland Centre - 620 King W ⁽¹⁾	127,658	9,170	136,828		4,890	131,938	96.4%
King Portland Centre - 642 King W ⁽¹⁾	5,992	6,793	12,785		4,501	8,284	64.8%
The Well - 8 Spadina ⁽¹⁾	419,219	5,935	425,154		15,340	409,814	96.4%
The Well - 452 Front W ⁽¹⁾	64,245	—	64,245		—	64,245	100.0%
The Well - 460 Front W ⁽¹⁾	60,428	—	60,428		—	60,428	100.0%
The Well - 482 Front W ⁽¹⁾	44,954	—	44,954		—	44,954	100.0%
The Well - 486 Front W ⁽¹⁾	1,523	133,703	135,226		4,463	130,763	96.7%
The Well - Wellington Market ⁽¹⁾	—	11,611	11,611		1,061	10,550	90.9%
King West Central	1,760,872	415,705	2,176,577	15.8%	260,917	1,915,660	88.0%
117 & 119 John	—	7,562	7,562		—	7,562	100.0%
19 Duncan	149,229	3,554	152,783		32,093	120,690	79.0%
121 John	2,591	855	3,446		—	3,446	100.0%
125 John	2,171	798	2,969		—	2,969	100.0%
179 John	70,902	—	70,902		3,790	67,112	94.7%
180 John	45,631	—	45,631		—	45,631	100.0%
185 Spadina	49,184	—	49,184		24,258	24,926	50.7%
217 Richmond W	31,204	21,670	52,874		7,360	45,514	86.1%
312 Adelaide W	66,778	1,227	68,005		8,523	59,482	87.5%
331-333 Adelaide W	19,058	3,725	22,783		3,737	19,046	83.6%
358-360 Adelaide W	50,785	—	50,785		16,683	34,102	67.1%
388 King W	12,170	19,040	31,210		10,122	21,088	67.6%
82 Peter	38,590	6,846	45,436		14,875	30,561	67.3%
99 Spadina	51,107	—	51,107		7,998	43,109	84.4%
QRC West - 134 Peter	298,248	8,213	306,461		58,321	248,140	81.0%
QRC West - 364 Richmond W	37,696	—	37,696		—	37,696	100.0%
QRC West - 375-381 Queen W	79,488	16,407	95,895		—	95,895	100.0%
Union Centre	41,787	—	41,787		4,952	36,835	88.1%
Entertainment District	1,046,619	89,897	1,136,516	8.2%	192,712	943,804	83.0%
110 Yonge ⁽²⁾	78,272	2,376	80,648		8,403	72,245	89.6%
175 Bloor E ⁽³⁾	296,397	9,234	305,631		100,982	204,649	67.0%
525 University	199,115	9,233	208,348		2,035	206,313	99.0%
Downtown	573,784	20,843	594,627	4.3%	111,420	483,207	81.3%
106 Front E	24,113	10,545	34,658		5,770	28,888	83.4%
184 Front E	84,116	4,829	88,945		26,734	62,211	69.9%
35-39 Front E	34,818	13,822	48,640		—	48,640	100.0%

SEPTEMBER 30, 2026
PROPERTIES

	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased GLA	Total Leased GLA	Leased %
36-40 Wellington E	15,496	5,948	21,444		—	21,444	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		8,309	35,600	81.1%
47 Front E	7,651	4,337	11,988		—	11,988	100.0%
49 Front E	9,482	10,435	19,917		7,147	12,770	64.1%
50 Wellington E	22,112	12,454	34,566		—	34,566	100.0%
54 Esplanade	—	9,038	9,038		—	9,038	100.0%
56 Esplanade	59,269	22,137	81,406		15,482	65,924	81.0%
60 Adelaide E	105,973	4,608	110,581		8,781	101,800	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		—	25,699	100.0%
St. Lawrence Market	447,557	137,788	585,345	4.2%	76,945	508,400	86.9%
133 George	1,617	—	1,617		—	1,617	100.0%
204-214 King E	115,086	13,837	128,923		4,055	124,868	96.9%
230 Richmond E	73,542	—	73,542		—	73,542	100.0%
QRC East - 111 Queen E	190,934	20,732	211,666		5,028	206,638	97.6%
Queen Richmond	381,179	34,569	415,748	3.0%	9,083	406,665	97.8%
Toronto	4,530,669	704,963	5,235,632	37.9%	694,676	4,540,956	86.7%
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		3,883	62,400	94.1%
72 Victoria	89,981	—	89,981		2,916	87,065	96.8%
The Tannery - 151 Charles W	306,039	25,809	331,848		148,083	183,765	55.4%
Kitchener	682,639	25,809	708,448	5.1%	154,882	553,566	78.1%
Toronto & Kitchener	5,213,308	730,772	5,944,080	43.0%	849,558	5,094,522	85.7%
1001 Boulevard Robert- Bourassa ⁽⁵⁾	728,970	11,168	740,138		—	740,138	100.0%
425 Viger	307,218	8,896	316,114		—	316,114	100.0%
451-481 Saint-Catherine W	21,044	9,983	31,027		10,394	20,633	66.5%
5445 de Gaspé	483,443	886	484,329		49,909	434,420	89.7%
5455 de Gaspé	468,274	22,562	490,836		43,374	447,462	91.2%
5505 Saint-Laurent	243,788	2,207	245,995		—	245,995	100.0%
6300 Parc	185,004	3,933	188,937		5,146	183,791	97.3%
700 Saint Antoine	110,528	17,685	128,213		6,347	121,866	95.0%
700 Saint-Hubert	142,925	776	143,701		43,882	99,819	69.5%
747 Square-Victoria ⁽⁵⁾	468,529	19,018	487,547		22,944	464,603	95.3%

SEPTEMBER 30, 2026
PROPERTIES

	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased GLA	Total Leased GLA	Leased %
La Cité - 111 Boulevard Robert-Bourassa	358,286	12,774	371,060		87,293	283,767	76.5%
La Cité - 50 Queen	26,153	—	26,153		2,660	23,493	89.8%
La Cité - 645 Wellington	128,693	7,299	135,992		105,983	30,009	22.1%
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	98,566	1,040	99,606		47,289	52,317	52.5%
El Pro Lofts - 644 Courcelle	144,958	8,940	153,898		18,208	135,690	88.2%
Le Nordelec - 1301-1303 Montmorency	7,550	—	7,550		—	7,550	100.0%
Le Nordelec - 1655 Richardson	30,063	—	30,063		—	30,063	100.0%
Le Nordelec - 1751 Richardson	785,523	38,538	824,061		86,412	737,649	89.5%
RCA Building - 1001 Lenoir ⁽⁵⁾	179,283	6,041	185,324		4,477	180,847	97.6%
Montréal	5,376,588	174,259	5,550,847	40.2%	632,550	4,918,297	88.6%
613 11th SW	—	4,288	4,288		—	4,288	100.0%
617 11th SW	3,230	6,305	9,535		1,372	8,163	85.6%
Alberta Block - 805 1st SW	9,094	22,037	31,131		1,307	29,824	95.8%
Alberta Hotel - 808 1st SW	25,482	20,424	45,906		12,639	33,267	72.5%
Atrium on Eleventh - 625 11th SE	34,390	1,373	35,763		18,357	17,406	48.7%
Biscuit Block - 438 11th SE	51,298	—	51,298		14,631	36,667	71.5%
Burns Building - 237 8th SE	67,478	8,120	75,598		24,326	51,272	67.8%
Cooper Block - 809 10th SW	35,256	—	35,256		5,278	29,978	85.0%
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	25,421	—	25,421		5,610	19,811	77.9%
Five Roses Building - 731-739 10th SW	—	20,808	20,808		2,474	18,334	88.1%
Glenbow - 802 11th SW	—	7,319	7,319		—	7,319	100.0%
Glenbow - 822 11th SW	14,155	—	14,155		—	14,155	100.0%
Glenbow Annex - 816 11th SW	—	9,021	9,021		—	9,021	100.0%
Glenbow Cornerblock - 838 11th SW	10,998	11,212	22,210		7,181	15,029	67.7%
Glenbow Ellison - 812 11th SW	13,344	—	13,344		—	13,344	100.0%

**SEPTEMBER 30, 2026
PROPERTIES**

	Office GLA	Retail GLA	Total GLA	% Total GLA	Total Vacant & Unleased GLA	Total Leased GLA	Leased %
Kipling Square - 601 10th SW	46,047	2,455	48,502		11,758	36,744	75.8%
Leeson Lineham Building - 209 8th SW	27,821	5,420	33,241		10,916	22,325	67.2%
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	27,670	51,288		—	51,288	100.0%
Sherwin Block - 738 11th SW	18,319	8,176	26,495		—	26,495	100.0%
Telephone Building - 119 6th SW	62,943	—	62,943		41,409	21,534	34.2%
Theatre Grand - 608 1st Street SW	—	34,100	34,100		—	34,100	100.0%
The Loughheed Building - 604 1st Street SW	87,778	—	87,778		55,945	31,833	36.3%
Vintage Towers - 322-326 11th SW	185,882	26,258	212,140		17,747	194,393	91.6%
Woodstone Building - 1207-1215 13th SE	33,786	—	33,786		—	33,786	100.0%
Young Block - 129 8th SW	4,841	2,164	7,005		—	7,005	100.0%
Calgary	1,003,572	217,150	1,220,722	8.9%	230,950	989,772	81.1%
1040 Hamilton	36,278	9,162	45,440		3,106	42,334	93.2%
1050 Homer	38,336	4,797	43,133		4,797	38,336	88.9%
108 East 5th Avenue	201,591	—	201,591		23,981	177,610	88.1%
1286 Homer	21,005	4,609	25,614		5,367	20,247	79.0%
1508 West Broadway	81,809	63,923	145,732		14,469	131,263	90.1%
2233 Columbia	21,591	6,852	28,443		—	28,443	100.0%
375 Water ⁽⁵⁾	107,221	23,052	130,273		14,841	115,432	88.6%
400 West Georgia	340,846	6,546	347,392		14,667	332,725	95.8%
948-950 Homer	23,245	21,758	45,003		—	45,003	100.0%
Sun Tower - 128 West Pender	76,161	1,693	77,854		34,191	43,663	56.1%
Vancouver	948,083	142,392	1,090,475	7.9%	115,419	975,056	89.4%
Total Rental Portfolio	12,541,551	1,264,573	13,806,124	100.0%	1,828,477	11,977,647	86.8%

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, properties held for future 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.

Unaudited Condensed
Consolidated Financial Statements
For the Three and Nine Months
Ended September 30, 2026
and 2025

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT SEPTEMBER 30, 2026 AND DECEMBER 31, 2025

(in thousands of Canadian dollars)	NOTES	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Assets			
Non-current assets			
Investment properties	5	\$6,983,586	\$8,443,045
Loans and notes receivable	7	85,308	97,008
Other assets	8	49,777	44,438
		\$7,118,671	\$8,584,491
Current assets			
Cash and cash equivalents	19	75,298	96,609
Loans and notes receivable	7	271,829	248,640
Accounts receivable, prepaid expenses and deposits	9	81,055	54,237
Residential inventory	6	205,400	222,847
Investment properties held for sale	5	403,110	50,580
Other assets	8	120	—
		\$1,036,812	\$672,913
Total assets		\$8,155,483	\$9,257,404
Liabilities			
Non-current liabilities			
Debt	10	\$3,289,748	\$3,954,747
Lease liabilities	11	17,467	24,085
Other liabilities	12	834	2,780
		\$3,308,049	\$3,981,612
Current liabilities			
Exchangeable LP Units	15	83,845	157,888
Debt	10	791,454	727,016
Accounts payable and other liabilities	12	378,121	373,395
Lease liabilities held for sale	11	7,816	1,291
		\$1,261,236	\$1,259,590
Total liabilities		\$4,569,285	\$5,241,202
Unitholders' equity	14	\$3,586,198	\$4,016,202
Total liabilities and Unitholders' equity		\$8,155,483	\$9,257,404

Commitments and Contingencies (note 25)

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



Jennifer Tory
Trustee



Stephen L. Sender
Trustee

ALLIED PROPERTIES REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND
COMPREHENSIVE INCOME (LOSS)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2026 AND 2025

(in thousands of Canadian dollars)	NOTES	THREE MONTHS ENDED		NINE MONTHS ENDED	
		SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Rental revenue	17, 21	\$138,117	\$147,932	\$422,558	\$443,613
Property operating costs	21	(69,701)	(67,205)	(214,743)	(201,701)
Operating income		\$68,416	\$80,727	\$207,815	\$241,912
Interest income		539	9,976	18,568	30,770
Interest expense	10 (f)	(40,142)	(35,488)	(119,421)	(98,989)
General and administrative expenses	18, 23, 24 (c)	(5,221)	(6,008)	(22,624)	(18,238)
Condominium marketing expenses		(35)	(5)	(128)	(18)
Amortization of other assets	8	(453)	(642)	(1,375)	(1,375)
Transaction costs	4	(394)	(999)	(5,233)	(1,659)
Mark-to-market expense on unit-based compensation	16 (c), (d)	(1,514)	(1,450)	(3,471)	(1,901)
Fair value loss on investment properties and investment properties held for sale	5	(38,596)	(100,265)	(931,951)	(394,098)
Fair value gain (loss) on Exchangeable LP Units	15, 24 (c)	32,475	(42,277)	74,043	(42,395)
Fair value gain (loss) on derivative instruments	24 (e)	6,676	(2,565)	6,197	(5,878)
Expected credit loss on loans and notes receivable	7, 24 (d)	—	—	(44,000)	—
Impairment of residential inventory	6	—	(14,393)	(48,065)	(23,920)
Net income (loss) and comprehensive income (loss)		\$21,751	\$(113,389)	\$(869,645)	\$(315,789)

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 AND NINE MONTHS ENDED SEPTEMBER 30, 2026 AND 2025

(in thousands of Canadian dollars)	NOTES	UNITS	RETAINED EARNINGS	CONTRIBUTED SURPLUS	TOTAL EQUITY
Balance at January 1, 2025	14	\$4,545,196	\$977,667	\$39,781	\$5,562,644
Net loss and comprehensive loss		—	(315,789)	—	(315,789)
Distributions	14	—	(172,741)	—	(172,741)
Contributed surplus – Unit Option Plan	16 (a)	—	—	5	5
Restricted Unit Plan (net of forfeitures)	14, 16 (b)	(2,044)	—	1,608	(436)
Balance at September 30, 2025		\$4,543,152	\$489,137	\$41,394	\$5,073,683

	NOTES	UNITS	RETAINED EARNINGS	CONTRIBUTED SURPLUS	TOTAL EQUITY
Balance at January 1, 2026	14	\$4,543,152	\$(568,670)	\$41,720	\$4,016,202
Net loss and comprehensive loss		—	(869,645)	—	(869,645)
Unit issuance (net of issuance costs)	14	535,760	—	—	535,760
Distributions	14	—	(95,976)	—	(95,976)
Restricted Unit Plan (net of forfeitures)	14, 16 (b)	(1,715)	—	1,572	(143)
Balance at September 30, 2026		\$5,077,197	\$(1,534,291)	\$43,292	\$3,586,198

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 AND NINE MONTHS ENDED SEPTEMBER 30, 2026 AND 2025

(in thousands of Canadian dollars)	NOTES	THREE MONTHS ENDED		NINE MONTHS ENDED	
		SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Operating activities					
Net income (loss) for the period		\$21,751	\$(113,389)	\$(869,645)	\$(315,789)
Mark-to-market expense on unit-based compensation	16 (c), (d)	1,514	1,450	3,471	1,901
Fair value loss on investment properties and investment properties held for sale	5	38,596	100,265	931,951	394,098
Fair value (gain) loss on Exchangeable LP Units	15, 24 (c)	(32,475)	42,277	(74,043)	42,395
Fair value (gain) loss on derivative instruments	24 (e)	(6,676)	2,565	(6,197)	5,878
Payment on settlement of derivative instruments	10 (e), 16 (d)	—	(1,480)	—	(4,284)
Expected credit loss on loans and notes receivable	7, 24 (d)	—	—	44,000	—
Impairment of residential inventory	6	—	14,393	48,065	23,920
Interest expense (net of the impact of capitalization)	10 (f)	40,142	35,488	119,421	98,989
Interest paid (net of the impact of capitalization)	5, 6, 11, 15, 19	(55,242)	(48,195)	(136,219)	(97,208)
Interest income		(539)	(9,976)	(18,568)	(30,770)
Interest received		567	5,832	1,247	20,940
Amortization of other assets	8	453	642	1,375	1,375
Amortization of improvement allowances	5	10,642	8,944	31,269	28,089
Amortization of straight-line rent	5	(3,381)	(812)	(10,272)	(2,039)
Amortization of net financing costs	10 (f)	1,135	1,783	3,453	4,103
Unit-based compensation expense	16, 24 (c)	596	1,378	4,052	4,224
Settlement of unit-based compensation liabilities	12, 16 (c)	—	—	(3,226)	(816)
Development expenditures on residential inventory	6	(11,575)	(4,554)	(30,618)	(19,536)
Change in other non-cash operating items	7, 9, 12, 19	(1,549)	56,190	1,958	(15,217)
Cash provided by operating activities		\$3,959	\$92,801	\$41,474	\$140,253
Financing activities					
Proceeds from mortgage payable	10 (a)	—	—	—	65,000
Repayment of mortgages payable	10 (a)	(1,699)	(1,622)	(5,039)	(9,524)
Proceeds from senior unsecured debentures (net of financing costs)	10 (d)	—	447,800	—	1,294,262

(in thousands of Canadian dollars)	NOTES	THREE MONTHS ENDED		NINE MONTHS ENDED	
		SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Repayment of senior unsecured debentures	10 (d)	—	—	(600,000)	(200,000)
Repayment of unsecured term loans	10 (e)	—	(150,000)	—	(550,000)
Principal payments of lease liabilities	11	(129)	(144)	(414)	(164)
Distributions paid on Units	14	(33,113)	(57,581)	(92,616)	(172,741)
Proceeds of Unit issuance (net of issuance costs)	14	—	—	535,760	—
Restricted Unit Plan (net of forfeitures)	14, 16 (b)	(242)	—	(1,715)	(2,044)
Proceeds from unsecured revolving operating facility	10 (c)	—	80,000	619,000	273,732
Repayments of unsecured revolving operating facility	10 (c)	(51,000)	(196,732)	(670,000)	(222,732)
Proceeds from construction loans	10 (b)	2,605	1,659	2,605	10,844
Repayment of construction loans	10 (b)	—	(129,490)	—	(449,555)
Proceeds from unsecured term loan (net of financing costs)	10 (f)	49,864	—	49,864	—
Financing costs	10 (a), (d), (e)	(437)	(1,669)	(444)	(2,129)
Cash (used in) provided by financing activities		\$(34,151)	\$(7,779)	\$(162,999)	\$34,949
Investing activities					
Additions to investment properties (including capitalized interest)	5, 10 (f)	(20,059)	(31,454)	(84,155)	(141,667)
Net proceeds on disposition of investment properties held for sale	4	77,494	25,100	310,753	44,116
Loans receivable issued to third-parties	7 (a)	(12,800)	(5,246)	(37,041)	(31,954)
Proceeds from loans receivable	7 (a)	330	632	937	814
Notes receivable repaid	7 (b)	—	7	2	544
Advances on note receivable from holder of Exchangeable LP Units	10 (f), 15	(2,126)	(5,314)	(6,377)	(15,942)
Additions to equipment and other assets	8	(83)	(277)	(120)	(585)
Leasing commissions	5	(4,617)	(4,991)	(21,526)	(10,572)
Improvement allowances	5	(16,160)	(12,100)	(62,259)	(30,666)
Cash provided by (used in) investing activities		\$21,979	\$(33,643)	\$100,214	\$(185,912)
(Decrease) Increase in cash and cash equivalents		(8,213)	51,379	(21,311)	(10,710)
Cash and cash equivalents, beginning of period		83,511	11,829	96,609	73,918
Cash and cash equivalents, end of period		\$75,298	\$63,208	\$75,298	\$63,208

Note 19 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 AND NINE MONTHS ENDED SEPTEMBER 30, 2026 AND 2025**

(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’s principal registered head office is located at 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 and nine months ended September 30, 2026 and 2025 were approved and authorized for issue by the Board of Trustees (the “Board”) on October 28, 2026.

(a) Statement of compliance

The unaudited condensed consolidated financial statements of Allied for the three and nine months ended September 30, 2026 and 2025 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 the material accounting policies disclosed in Allied’s December 31, 2025, audited annual consolidated financial statements have been applied consistently in the preparation of these unaudited condensed consolidated financial statements, except for the adoption of new standards effective as of January 1, 2026 disclosed in note 2(b).

(b) Accounting standards effective in the period

In May 2024, the IASB issued “Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7”. The amendments clarify the requirements related to the date of recognition and derecognition of financial assets and financial liabilities with an exception for derecognition of financial liabilities settled via an electronic transfer. The amendments became effective for January 1, 2026.

Allied adopted the amendments which did not have a material impact on Allied’s unaudited condensed consolidated financial statements.

(c) Accounting standards issued but not yet effective in the period

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 (“MPMs”) 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 continues to assess the impact of the new standard and anticipates changes which includes disaggregation of certain line items in the Consolidated Balance Sheets, reclassification of certain income and expenses from operating to investing and financing categories in the Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) and Consolidated Statements of Cash Flows. Allied’s main business activity includes investing in investment properties to earn rental income, which is a specified main business activity under IFRS 18, along with sale of residential inventory. Allied has concluded Funds from Operations (“FFO”), FFO excluding condominium costs, financing prepayment costs and the mark-to-market adjustment on unit-based compensation, Adjusted Funds From Operations (“AFFO”), AFFO excluding condominium-related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation to be MPMs and is reviewing other potential MPMs as required under IFRS 18. Allied will adopt IFRS 18 in its consolidated financial statements beginning on January 1, 2027, when the standard becomes effective.

(d) Comparative figures

Certain prior period comparative amounts have been reclassified to conform to the current period’s presentation.

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, 2025, 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 nine months ended September 30, 2026, Allied did not acquire any properties.

During the year ended December 31, 2025, Allied completed the following property acquisition:

PROPERTY	ACQUISITION DATE	PROPERTY TYPE	INVESTMENT PROPERTY	INTEREST ACQUIRED
108 East 5th Avenue ⁽¹⁾	September 25, 2025	Office	\$90,592	50%
			\$90,592	

(1) Allied acquired an incremental 50% interest on September 25, 2025, increasing Allied's total ownership in 108 East 5th Avenue to 100%.

On September 25, 2025, the purchase price, including acquisition costs, for an incremental 50% interest in 108 East 5th Avenue in Vancouver of \$90,592, was satisfied by the assumption of the remaining construction loan of \$64,745 (note 10 (b)), settlement of receivables due from the seller of \$24,930 (notes 7 and 9) and working capital of \$917.

Dispositions

During the nine months ended September 30, 2026, Allied completed the following dispositions of investment properties:

PROPERTY	DISPOSITION DATE	PROPERTY TYPE	GROSS PROCEEDS
183 Bathurst, Toronto	February 2, 2026	Office, retail	\$11,000
489 Queen E, Toronto	February 2, 2026	Office	10,000
70 Richmond E, Toronto	February 2, 2026	Office	8,000
400 Atlantic, Montréal	February 24, 2026	Office, retail	17,000
116 Simcoe, Toronto	June 12, 2026	Office	6,720
200 Adelaide W, Toronto	June 12, 2026	Office	11,030
208-210 Adelaide W, Toronto	June 12, 2026	Office	4,490
257 Adelaide W, Toronto	June 12, 2026	Office	15,210
Dominion Square, Toronto ⁽¹⁾	June 12, 2026	Office, retail	67,040
193 Yonge, Toronto	June 12, 2026	Office, retail	18,510
1185 West Georgia, Vancouver	June 15, 2026	Office, retail	74,000
1010 Sherbrooke W, Montréal	September 1, 2026	Office, retail	78,000
Total gross proceeds			\$321,000
Net working capital adjustments			(5,014)
Selling costs			(5,233)
Net cash consideration received			\$310,753

(1) Includes 468 Queen N, 468 Queen S and 478-496 Queen.

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

On September 8, 2026, Allied entered into an agreement to sell La Cité - 740 Saint-Maurice in Montréal for gross proceeds of \$14,750, which is expected to close in the fourth quarter of this year. On October 28, 2026, Allied entered into an agreement to sell Toronto House and 19 Duncan located in Toronto for gross proceeds of \$325,000, which is expected to close in the fourth quarter of this year, subject to Competition Act approval and customary closing conditions.

During the year ended December 31, 2025, Allied completed the following dispositions of investment properties:

PROPERTY	DISPOSITION DATE	PROPERTY TYPE	GROSS PROCEEDS
Boardwalk-Revillon Building, Edmonton	April 30, 2025	Office, retail	\$20,000
1220 Homer, Vancouver	July 25, 2025	Office	13,250
4396-4410 Saint-Laurent, Montréal	September 30, 2025	Office, retail	13,000
342 Water, Vancouver	November 10, 2025	Office, retail	10,700
3510 Saint-Laurent, Montréal	November 19, 2025	Office, retail	23,000
3530-3540 Saint-Laurent, Montréal	November 19, 2025	Office, retail	10,000
3575 Saint-Laurent, Montréal	December 11, 2025	Office, retail	30,000
252-264 Adelaide Street E, Toronto ⁽¹⁾	December 15, 2025	Office, retail	11,600
365 Railway, Vancouver	December 30, 2025	Office	8,025
Total gross proceeds			\$139,575
Net working capital adjustments			(1,471)
Selling costs			(5,349)
Net cash consideration received			\$132,755

(1) Includes disposition of one ancillary parking facility.

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:

	NINE MONTHS ENDED SEPTEMBER 30, 2026				YEAR ENDED DECEMBER 31, 2025			
	RENTAL PROPERTIES	PROPERTIES UNDER DEVELOPMENT ("PUD")	PROPERTIES HELD FOR FUTURE DEVELOPMENT	TOTAL	RENTAL PROPERTIES	PROPERTIES UNDER DEVELOPMENT ("PUD")	PROPERTIES HELD FOR FUTURE DEVELOPMENT	TOTAL
Balance, beginning of period	\$8,038,214	\$455,411	\$—	\$8,493,625	\$8,861,454	\$846,739	\$—	\$9,708,193
Additions:								
Acquisitions	—	—	—	—	—	90,592	—	90,592
Improvement allowances	42,787	19,472	—	62,259	64,447	2,520	—	66,967
Leasing commissions	17,634	3,892	—	21,526	19,251	4,044	—	23,295
Capital expenditures	31,911	52,244	—	84,155	60,429	126,661	—	187,090
Dispositions	(321,000)	—	—	(321,000)	(139,575)	—	—	(139,575)
Transfers from PUD	251,375	(251,375)	—	—	461,217	(461,217)	—	—
Transfers to PUD	(35,469)	35,469	—	—	(58,218)	58,218	—	—
Transfers to Properties Held for Future Development	(31,840)	—	31,840	—	—	—	—	—
Transfers to other assets	(921)	—	—	(921)	(349)	—	—	(349)
Amortization of straight-line rent and improvement allowances	(20,997)	—	—	(20,997)	(34,075)	(278)	—	(34,353)
Fair value loss on investment properties and investment properties held for sale	(837,298)	(94,653)	—	(931,951)	(1,196,367)	(211,868)	—	(1,408,235)
Balance, end of period	\$7,134,396	\$220,460	\$31,840	\$7,386,696	\$8,038,214	\$455,411	\$—	\$8,493,625
Investment properties	\$6,731,286	\$220,460	\$31,840	\$6,983,586	\$7,987,634	\$455,411	\$—	\$8,443,045
Investment properties held for sale	403,110	—	—	403,110	50,580	—	—	50,580
	\$7,134,396	\$220,460	\$31,840	\$7,386,696	\$8,038,214	\$455,411	\$—	\$8,493,625

As at September 30, 2026, Allied had nine properties (including Toronto House and Calgary House) classified as investment properties held for sale totalling \$403,110. As at December 31, 2025, Allied had five properties classified as investment properties held for sale totalling \$50,580. The investment properties held for sale had an aggregate mortgages payable balance of \$65,356 as at September 30, 2026 (December 31, 2025 - \$nil). This balance is not accounted for as held for sale but is included in current liabilities as Allied intends to repay the mortgages related to the investment properties held for sale if the mortgages are not assumed by the purchaser as part of the dispositions.

As at September 30, 2026, Allied had four properties held for future development. This consists of fully vacant properties within Allied's portfolio that are not currently under active development or redevelopment and are not being marketed for leasing. In their current condition, the properties are not leasable and are being held for future intensification and development opportunities.

For the three and nine months ended September 30, 2026, Allied capitalized \$2,955 and \$11,850, respectively (September 30, 2025 - \$12,316 and \$40,775, respectively), 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 \$161,310 (December 31, 2025 - \$172,090) which includes a prepaid land leasehold interest. The leases' maturities range from 18.0 years to 75.7 years (December 31, 2025 - 18.8 years to 76.5 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'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, and may vary with different classes of buildings. Below are the rates used in the modeling process for valuations of investment properties and investment properties held for sale.

	WEIGHTED AVERAGE	
	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Discount rate	6.90%	6.54%
Terminal capitalization rate	6.11%	5.71%
Overall capitalization rate	5.82%	5.33%

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 or 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	\$278,091	\$137,248	\$(133,756)	\$(264,120)

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	\$373,227	\$178,393	\$(163,971)	\$(315,219)

6. RESIDENTIAL INVENTORY

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

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Balance, beginning of period	\$222,847	\$221,004
Development expenditures	30,618	25,763
Impairment	(48,065)	(23,920)
Balance, end of period	\$205,400	\$222,847

Residential inventory consists of assets that are developed by Allied for sale in the ordinary course of business. All of the residential inventory are anticipated to have occupancy permits issued within one year, at which time, revenue will be recognized. 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 and nine months ended September 30, 2026, Allied capitalized \$2,097 and \$6,371, respectively (September 30, 2025 - \$2,328 and \$6,994, respectively) 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 of \$48,065 during the nine months ended September 30, 2026, reflects higher estimated costs to complete (including both hard costs and carrying costs) arising from construction delays and lower estimated gross proceeds due to a higher allowance for potential closing risks in a softening condominium market. The impairment of \$23,920 during the year ended December 31, 2025, reflects lower estimated gross proceeds and higher estimated costs to complete primarily from incremental carrying costs related to construction delays.

7. LOANS AND NOTES RECEIVABLE

Loans and notes receivable are as follows:

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Loans receivable (a)	\$529,137	\$473,646
Notes and other receivables (b)	—	2
	\$529,137	\$473,648
Expected credit loss on loans and notes receivable	(172,000)	(128,000)
Loans and notes receivable	\$357,137	\$345,648
Current	\$271,829	\$248,640
Non-current	85,308	97,008
	\$357,137	\$345,648

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

	MATURITY DATE	SEPTEMBER 30, 2026	DECEMBER 31, 2025
KING Toronto ⁽¹⁾	February 29, 2028	\$249,350	\$216,080
Breithaupt Phase III ⁽²⁾	N/A	7,958	8,928
150 West Georgia	December 31, 2026	271,829	248,638
		\$529,137	\$473,646
Expected credit loss on loans receivable ("ECL")		(172,000)	(128,000)
Total loans receivable		\$357,137	\$345,646

(1) The facility matures at the earlier of February 29, 2028, or the closing of the condominium units.

(2) The loan is repayable in installments.

Allied has a joint arrangement with Westbank to develop KING Toronto. During the third quarter of 2026, the KING Toronto loan receivable limit was increased by \$178,586 to a principal amount not to exceed \$350,000, plus interest, and the maturity date was extended from March 31, 2027 to February 29, 2028. Under this arrangement, Allied advanced loans in the principal amount totalling \$181,595, plus interest, to Westbank as at September 30, 2026. Of the total principal amount advanced, \$73,414 bears interest at the greater of 7.00% per annum or prime plus 3.00% per annum, and the remaining principal of \$108,181 bears interest at prime plus 8.00% per annum. Interest receivable of \$5,017 was settled on September 25, 2025, when Allied acquired an incremental 50% interest in 108 East 5th Avenue (note 4).

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 first mortgage). Interest accrues at a rate of 7.00% per annum.

Allied has an arrangement with Westbank to provide a credit facility of up to \$212,000, 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 assesses expected credit losses on an individual loan basis. The ECL is measured as a probability-weighted estimate of the expected present value of cash shortfalls. Cash shortfalls represent the difference between the cash flows owed to Allied (including the future interest income until maturity of each loan) and the cash flows expected to be received by Allied. Allied's assessment took into consideration the borrower's financial position, status of corporate guarantees, construction and leasing status on development projects, status of principal and interest payments, and the underlying value of the borrower's security or collateral. During the three and nine months ended September 30, 2026, Allied recorded an additional ECL of \$nil and \$44,000, respectively, which reflects higher assessed credit risk, driven by a greater probability of closing risks in a softening condominium market and lower expected proceeds due to construction delays and higher estimated costs to complete. During the year ended December 31, 2025, a portion of the loans receivable experienced a significant increase in credit risk since initial recognition, therefore, Allied recognized an ECL equal to the lifetime expected credit losses on the loans receivable of \$128,000.

Based on assessment completed by Allied, the KING Toronto and 150 West Georgia loans receivable outstanding from Westbank were concluded to be credit-impaired.

- (b) As at December 31, 2025, the balance of notes and other receivables is made up of individually immaterial notes receivable.

8. OTHER ASSETS

Other assets consist of the following:

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Equipment and other assets ⁽¹⁾	\$12,875	\$13,493
Property, plant and equipment ⁽²⁾	19,994	19,390
Interest rate swap derivative assets	17,028	11,555
	\$49,897	\$44,438
Current	\$120	\$—
Non-current	49,777	\$44,438
	\$49,897	\$44,438

(1) During the three and nine months ended September 30, 2026, Allied recorded amortization of equipment and other assets of \$346 and \$1,058, respectively (September 30, 2025 - \$541 and \$1,075, respectively). In addition, Allied re-measured its lease liability, increasing both the right-of-use asset and the corresponding lease liability by \$321 for the nine months ended September 30, 2026, primarily due to revised estimates of future lease payments.

(2) Property, plant and equipment relates to owner-occupied property. During the three and nine months ended September 30, 2026, Allied recorded amortization of owner-occupied property of \$107 and \$317, respectively (September 30, 2025 - \$101 and \$300, respectively).

9. ACCOUNTS RECEIVABLE, PREPAID EXPENSES AND DEPOSITS

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

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
User trade receivables - net of allowance (a)	\$13,893	\$14,807
Other user receivables (b)	14,299	10,516
Miscellaneous receivables (c)	18,983	15,895
Prepaid expenses and deposits (d)	33,880	13,019
	\$81,055	\$54,237

(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:

	NINE MONTHS ENDED	YEAR ENDED
	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Allowance for expected credit loss, beginning of period	\$11,319	\$11,569
Additional provision recorded during the period	5,877	3,342
Reversal of previous provisions	(3,193)	(1,682)
Receivables written off during the period	(4,304)	(1,910)
Allowance for expected credit loss, end of period	\$9,699	\$11,319

(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, a density bonus receivable, interest income due from external parties and chargebacks on construction projects which are managed by Allied for tenants. As at September 30, 2026, 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, and software.

10. DEBT

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

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Mortgages payable (a)	\$486,587	\$491,101
Construction loan payable (b)	102,505	99,900
Unsecured revolving operating facility (c)	—	51,000
Senior unsecured debentures (d)	3,342,359	3,939,944
Unsecured term loans (e)	149,751	99,818
	\$4,081,202	\$4,681,763
Current	\$791,454	\$727,016
Non-current	3,289,748	3,954,747
	\$4,081,202	\$4,681,763

The respective financing costs recognized are amortized using the effective interest method and recorded to interest expense (note 10 (f)).

Allied has a swap agreement with a financial institution to fix the rate on a notional amount of variable-rate debt of \$250,000 by swapping the floating Adjusted CORRA for fixed interest payments at an interest rate of 2.096% plus the relevant spread of the variable-rate debt. The all-in fixed interest rate for the variable-rate debt, including the spread to which this swap applies to, ranges from 3.496% to 4.091% for the nine months ended September 30, 2026 (December 31, 2025 - 3.496% to 3.841%). This swap matures on January 14, 2031. Allied first applies this swap to the unsecured term loans, and the remaining balance is then applied to the unsecured revolving operating facility. If the swap exceeds the balance of the unsecured revolving operating facility at any point in time, Allied applies the swap to other variable-rate debt outstanding at the time.

Allied also had a swap agreement with a financial institution to fix the rate on a notional amount of variable-rate debt of \$175,000 which was effective October 31, 2024, with a maturity date of October 31, 2026, and was terminated on September 25, 2025. The floating Adjusted CORRA of the variable-rate debt was swapped for fixed interest payments at an interest rate of 3.223% plus the relevant spread of the variable-rate debt. The all-in fixed interest rate for the variable-rate debt, including the spread to which this swap was applied, ranged from 4.527% to 4.677% for the year ended December 31, 2025. The swap was terminated in connection with the new Unsecured Facility (note 10(c)), resulting in a cash payment of \$1,263. Allied first applied the swap to the unsecured revolving operating facility, and where the swap exceeded the balance of the unsecured revolving operating facility at any point in time, Allied applied the swap to other variable-rate debt outstanding at the time.

(a) *Mortgages payable*

Mortgages payable have a weighted average contractual interest rate of 4.82% as at September 30, 2026 (December 31, 2025 - 4.82%). There were no variable rate mortgages payable as at September 30, 2026, and December 31, 2025. The weighted average term of the mortgage debt is 2.8 years (December 31, 2025 - 3.5 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 September 30, 2026, and December 31, 2025, Allied's obligations relating to mortgages are as follows:

	PRINCIPAL REPAYMENTS	BALANCE DUE AT MATURITY	SEPTEMBER 30, 2026	DECEMBER 31, 2025
2026	\$1,634	\$20,443	\$22,077	
2027	6,040	50,000	56,040	
2028	6,132	79,457	85,589	
2029	6,139	91,498	97,637	
2030	6,358	222,591	228,949	
Mortgages, principal	\$26,303	\$463,989	\$490,292	\$495,331
Net financing costs			(3,705)	(4,230)
			\$486,587	\$491,101

(b) *Construction loan payable*

As at September 30, 2026, and December 31, 2025, Allied's obligation relating to the construction loan payable is as follows:

	OWNERSHIP	FACILITY LIMIT	DATE OF MATURITY	CONTRACTUAL INTEREST RATE ⁽¹⁾	STANDBY FEE AND LETTER OF CREDIT FEE ⁽¹⁾	SEPTEMBER 30, 2026	DECEMBER 31, 2025
KING Toronto	50%	\$108,265	January 31, 2028	Prime + 0.70% or Adjusted CORRA + 1.70%	0.34% and 1.15%	\$102,505	\$99,900
						\$102,505	\$99,900

(1) On July 21, 2026, the interest rate increased for the construction loan from Prime + 0.45% or Adjusted CORRA + 1.45% to Prime + 0.70% or Adjusted CORRA + 1.70%. The standby fee and letter of credit fee increased from 0.25% and 1.00% to 0.34% and 1.15%, respectively.

Allied and Westbank have a construction lending facility for the KING Toronto joint arrangement from a syndicate of Canadian banks. On July 21, 2026, the maturity date of the construction lending facility for KING Toronto was extended from July 31, 2026, to January 31, 2028, and the facility limit was amended from \$223,747 to \$108,265 at Allied's share. The facility bears interest at prime plus 70 basis points or adjusted CORRA plus 170 basis points with a standby fee of 34 basis points and a letter of credit fee of 115 basis points. Allied is providing a joint and several guarantee of the facility. As guarantor, Allied has covenanted to maintain minimum project liquidity, through cash or availability under its unsecured revolving operating facility, equal to the project's estimated remaining cost to complete. As at September 30, 2026, the estimated remaining cost to complete on the KING Toronto project is \$233,850.

Allied had a construction lending facility for Adelaide & Duncan from a syndicate of Canadian banks with a facility limit of \$295,000. The loan had a maturity date of August 11, 2025, and bore interest at bank prime plus 35 basis points or bankers' acceptance rate plus 135 basis points. On February 25, 2025, Allied fully repaid the construction lending facility of \$262,493 with no financing prepayment cost. Adelaide & Duncan consists of a commercial component located at 19 Duncan and a residential component located at 225 Adelaide Street W which is known as Toronto House.

Allied and Perimeter had a construction lending facility for the Breithaupt Phase III joint arrangement from a syndicate of Canadian banks with a facility limit of \$134,400, in which Allied's 50% share was \$67,200. The loan had a maturity date of April 30, 2025 and bore interest at bank prime plus 25 basis points or bankers' acceptance rate plus 145 basis points. Allied provided a joint and several guarantee of the entire facility and earned a related guarantee fee on up to \$67,200 of the facility. On April 28, 2025, Allied and Perimeter fully repaid the construction loan, of which Allied's 50% share was \$57,572.

Allied and Westbank had a construction lending facility for the 108 East 5th Avenue joint arrangement from a syndicate of Canadian banks with a facility limit of \$150,000, in which Allied's 50% share was \$75,000. The loan had a maturity date of December 6, 2026 and bore interest at bank prime plus 35 basis points or bankers' acceptance rate plus 135 basis points. The 108 East 5th Avenue joint arrangement also had 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%. Allied provided a joint and several guarantee of the entire facility and earned a related guarantee fee on up to \$75,000 of the facility. On September 25, 2025, Allied acquired the remaining 50% interest in 108 East 5th Avenue, and assumed an additional \$64,745 on the construction lending facility (note 4). On September 26, 2025, Allied fully repaid the construction lending facility with no financing prepayment cost and terminated the swap with a cash payment of \$217.

(c) *Unsecured revolving operating facility*

As at September 30, 2026, and December 31, 2025, Allied's obligation relating to the unsecured revolving operating facility (the "Unsecured Facility") is as follows:

SEPTEMBER 30, 2026						
MATURITY DATE	CONTRACTUAL INTEREST RATES ON DRAWINGS ⁽¹⁾	STANDBY FEE	FACILITY LIMIT ⁽²⁾	DRAWINGS	LETTERS OF CREDIT	AMOUNT AVAILABLE
September 28, 2029	Prime + 0.70% or Adjusted CORRA + 1.70%	0.34%	\$800,000	\$—	\$(8,321)	\$791,679

(1) The interest rates for this facility are subject to certain conditions being met. On February 18, 2026, the interest rate increased for the Unsecured Facility from prime + 0.45% or Adjusted CORRA + 1.45% to prime + 0.70% or Adjusted CORRA + 1.70%.

(2) This Unsecured Facility contains a \$100,000 accordion feature, allowing Allied to increase the amount available under the facility to \$900,000.

On September 29, 2026, Allied updated the Unsecured Facility to extend the maturity date to September 28, 2029.

DECEMBER 31, 2025

MATURITY DATE	CONTRACTUAL INTEREST RATES ON DRAWINGS ⁽¹⁾	STANDBY FEE	FACILITY LIMIT ⁽²⁾	DRAWINGS	LETTERS OF CREDIT	AMOUNT AVAILABLE
September 29, 2028	Prime + 0.45% or Adjusted CORRA + 1.45%	0.29%	\$800,000	\$(51,000)	\$(9,253)	\$739,747

(1) 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 from prime + 0.70% or Adjusted CORRA + 1.70% to prime + 0.45% or Adjusted CORRA + 1.45%.

(2) This Unsecured Facility contains a \$100,000 accordion feature, allowing Allied to increase the amount available under the facility to \$900,000.

On September 29, 2025, Allied replaced its unsecured revolving operating facility with a new facility provided by six major Canadian financial institutions on the same financial terms and expiring on September 29, 2028.

(d) Senior unsecured debentures

As at September 30, 2026, and December 31, 2025, Allied's obligations relating to the senior unsecured debentures are as follows:

SERIES	CONTRACTUAL INTEREST RATE	DATE OF MATURITY	INTEREST PAYMENT DATE	SEPTEMBER 30, 2026	DECEMBER 31, 2025
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
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	450,000
Series L	4.258% ⁽¹⁾	April 7, 2027	January 7, April 7, July 7 and October 7	150,000	150,000
Series M	4.312%	April 7, 2027	April 7 and October 7	250,000	250,000
Series N	4.667%	September 25, 2031	March 25 and September 25	450,000	450,000
Senior unsecured debentures, principal				\$3,350,000	\$3,950,000
Net financing costs				(7,641)	(10,056)
				\$3,342,359	\$3,939,944

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

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

On February 12, 2026, Allied repaid the \$600,000 aggregate principal amount of 1.726% Series H senior unsecured debentures upon maturity.

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) \$150,000 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) \$250,000 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. Debt financing costs of \$1,382 were incurred and recorded against the principal owing. Proceeds from the Offering were used to fully repay the \$400,000 unsecured term loan maturing on October 22, 2025 (note 10(e)).

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% until April 7, 2027.

On September 25, 2025, Allied issued \$450,000 of 4.667% Series N senior unsecured debentures (the “Series N Debentures”) on a private placement basis due September 25, 2031, with semi-annual interest payments due on March 25 and September 25 each year commencing on March 25, 2026. Debt financing costs of \$2,200 were incurred and recorded against the principal owing. The Series N Debentures were Allied’s fourth green bond issuance. Proceeds from the Series N Debentures were used to fully repay the 108 East 5th Avenue construction lending facility of \$129,490 due December 6, 2025, partially repay \$150,000 of an unsecured term loan due January 14, 2026, and the balance was applied towards the repayment of amounts drawn on the Unsecured Facility.

(e) *Unsecured term loans*

As at September 30, 2026, and December 31, 2025, Allied's obligation relating to the unsecured term loans is as follows:

	CONTRACTUAL INTEREST RATE	DATE OF MATURITY	FREQUENCY OF INTEREST PAYMENT	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Unsecured term loan ⁽¹⁾	Prime + 0.40% or Adjusted CORRA + 1.40%	January 14, 2028	Monthly	\$100,000	\$100,000
Unsecured term loan ⁽²⁾	Prime + 0.70% or Adjusted CORRA + 1.70%	January 31, 2028	Monthly	50,000	—
Unsecured term loans, principal				\$150,000	\$100,000
Net financing costs				(249)	(182)
				\$149,751	\$99,818

(1) The all-in fixed interest rate on this swapped debt is 3.496% as at September 30, 2026 (December 31, 2025 - 3.496%).

(2) The all-in fixed interest rate on this swapped debt is 3.796% as at September 30, 2026 (December 31, 2025 - N/A).

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

On August 31, 2026, Allied entered into an unsecured term loan with a financial institution for \$50,000 at a rate of prime plus 70 basis points or adjusted CORRA plus 170 basis points, due on January 31, 2028. The proceeds from the loan were used to repay the Unsecured Facility. Debt financing costs of \$136 were incurred and recorded against the principal owing.

On September 26, 2025, Allied repaid \$150,000 of the unsecured term loan and extended the maturity on the remaining balance, from January 14, 2026 to January 14, 2028, by exercising two one-year extension options. It is possible to extend the maturity date on this unsecured term loan through one-year extension options until January 14, 2031.

On April 8, 2025, Allied fully repaid a \$400,000 unsecured term loan with a maturity date of October 22, 2025 and bore interest at an all-in fixed interest rate of 4.865%. Allied incurred financing prepayment costs of \$166 for accelerated amortization of deferred financing costs, and terminated the related swap with a cash payment of \$2,124.

(f) *Interest expense*

Interest expense consists of the following:

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Interest on debt:				
Mortgages payable	\$5,890	\$5,977	\$17,673	\$16,981
Construction loans payable	996	1,997	2,993	8,403
Unsecured Facility	988	2,034	4,133	5,037
Unsecured Debentures	32,673	30,349	99,196	83,583
Unsecured Term Loans	1,042	2,131	2,776	11,690
Interest on lease liabilities	344	547	1,041	1,019
Amortization, net financing costs	1,135	1,215	3,453	3,369
Distributions on Exchangeable LP Units ⁽¹⁾	2,126	5,314	6,377	15,942
	\$45,194	\$49,564	\$137,642	\$146,024
Interest capitalized to qualifying investment properties and residential inventory	(5,052)	(14,644)	(18,221)	(47,769)
Interest expense excluding financing prepayment costs	\$40,142	\$34,920	\$119,421	\$98,255
Financing prepayment costs ⁽²⁾	—	568	—	734
Interest expense	\$40,142	\$35,488	\$119,421	\$98,989

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

(2) For the three months ended September 30, 2026, Allied incurred \$nil financing prepayment costs (September 30, 2025 - \$568 for accelerated amortization of deferred financing costs in connection with the refinancing of its unsecured revolving operating facility). For the nine months ended September 30, 2026, Allied incurred \$nil financing prepayment costs (September 30, 2025 - \$734 for accelerated amortization of deferred financing costs in connection with the early repayment of an unsecured term loan and the refinancing of its unsecured revolving operating facility).

Borrowing costs have been capitalized for the three and nine months ended September 30, 2026, to qualifying investment properties and residential inventory at a weighted average effective rate of 4.00% and 3.97% per annum, respectively (September 30, 2025 - 3.66% and 3.63% per annum, respectively), 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 loan payable, Unsecured Facility, Unsecured Debentures and Unsecured Term Loans as at September 30, 2026:

	REMAINING 2026	2027	2028	2029	2030	THEREAFTER	TOTAL
Mortgages payable, principal repayments	\$1,634	\$6,040	\$6,132	\$6,139	\$6,358	\$—	\$26,303
Mortgages payable, balance due at maturity	20,443	50,000	79,457	91,498	222,591	—	463,989
Construction loan payable	—	—	102,505	—	—	—	102,505
Unsecured Facility	—	—	—	—	—	—	—
Unsecured Debentures	—	700,000	550,000	750,000	400,000	950,000	3,350,000
Unsecured Term Loans	—	—	150,000	—	—	—	150,000
Total	\$22,077	\$756,040	\$888,094	\$847,637	\$628,949	\$950,000	\$4,092,797

A description of Allied's risk management objectives and policies for financial instruments is provided in note 24.

11. LEASE LIABILITIES

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

	REMAINING 2026	2027 - 2030	THEREAFTER	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Future minimum lease payments	\$487	\$7,412	\$76,313	\$84,212	\$85,683
Less: amounts representing interest payments	(356)	(5,463)	(53,110)	(58,929)	(60,307)
Present value of lease payments	\$131	\$1,949	\$23,203	\$25,283	\$25,376
Current ⁽¹⁾				\$7,816	\$1,291
Non-current				17,467	24,085
				\$25,283	\$25,376

(1) This consists of lease liabilities 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 Income (Loss) and Comprehensive Income (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 and nine months ended September 30, 2026, minimum lease payments of \$472 and \$1,457, respectively (September 30, 2025 - \$688 and \$1,176, respectively) were paid by Allied.

12. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Accounts payable and other liabilities consists of the following:

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Trade payables and other liabilities	\$207,056	\$188,610
Prepaid user rents	79,342	80,463
Accrued interest payable on Unsecured Debentures	22,307	42,569
Distributions payable on Units (note 14)	11,037	7,677
Distributions payable on Exchangeable LP Units (note 15)	709	709
Residential deposits ⁽¹⁾	49,827	49,478
Interest rate swap derivative liabilities	33	757
Total return swap derivative liabilities (note 16(d))	7,225	2,524
Unit-based compensation liabilities (note 16(c))	1,419	3,388
	\$378,955	\$376,175
Current	\$378,121	\$373,395
Non-current ⁽²⁾	834	2,780
	\$378,955	\$376,175

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

(2) Non-current liabilities as at September 30, 2026, are composed of unit-based compensation liabilities totalling \$802 and interest rate swap derivative liabilities of \$32 (December 31, 2025 - \$2,023 and \$757, respectively).

13. FAIR VALUE MEASUREMENTS

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

		SEPTEMBER 30, 2026		DECEMBER 31, 2025	
	CLASSIFICATION/ MEASUREMENT	CARRYING VALUE	FAIR VALUE	CARRYING VALUE	FAIR VALUE
Financial Assets:					
Loans and notes receivable (note 7)	Amortized cost	\$357,137	\$357,137	\$345,648	\$345,648
Interest rate swap derivative assets (note 8)	FVTPL	17,028	17,028	11,555	11,555
Accounts receivable, prepaid expenses and deposits (note 9)	Amortized cost	81,055	81,055	54,237	54,237
Cash and cash equivalents (note 19)	Amortized cost	75,298	75,298	96,609	96,609
Financial Liabilities:					
Debt (note 10)					
Mortgages payable	Amortized cost	\$486,587	\$487,365	\$491,101	\$506,713
Construction loan payable	Amortized cost	102,505	102,505	99,900	99,900
Unsecured Facility	Amortized cost	—	—	51,000	51,000
Unsecured Debentures	Amortized cost	3,342,359	3,250,822	3,939,944	3,898,198
Unsecured Term Loans	Amortized cost	149,751	146,718	99,818	98,558
Accounts payable and other liabilities (note 12)	Amortized cost	370,278	370,278	369,506	369,506
Interest rate swap derivative liabilities (note 12)	FVTPL	33	33	757	757
Total return swap derivative liabilities (notes 12 and 16(d))	FVTPL	7,225	7,225	2,524	2,524
Unit-based compensation liabilities (notes 12 and 16(c))	FVTPL	1,419	1,419	3,388	3,388
Exchangeable LP Units (note 15)	FVTPL	83,845	83,845	157,888	157,888

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 financial statements 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:

	SEPTEMBER 30, 2026			DECEMBER 31, 2025		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
Financial Assets:						
Loans and notes receivable (note 7)	\$—	\$357,137	\$—	\$—	\$345,648	\$—
Interest rate swap derivative assets (note 8)	—	17,028	—	—	11,555	—
Accounts receivable, prepaid expenses and deposits (note 9)	—	81,055	—	—	54,237	—
Cash and cash equivalents (note 19)	75,298	—	—	96,609	—	—
Financial Liabilities:						
Debt (note 10)						
Mortgages payable	\$—	\$487,365	\$—	\$—	\$506,713	\$—
Construction loan payable	—	102,505	—	—	99,900	—
Unsecured Facility	—	—	—	—	51,000	—
Unsecured Debentures	—	3,250,822	—	—	3,898,198	—
Unsecured Term Loans	—	146,718	—	—	98,558	—
Accounts payable and other liabilities (note 12)	—	370,278	—	—	369,506	—
Interest rate swap derivative liabilities (note 12)	—	33	—	—	757	—
Total return swap derivative liabilities (notes 12 and 16(d))	—	7,225	—	—	2,524	—
Unit-based compensation liabilities (notes 12 and 16(c))	—	1,419	—	—	3,388	—
Exchangeable LP Units (note 15)	—	83,845	—	—	157,888	—

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).

14. 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 nine months ended September 30, 2026, and the year ended December 31, 2025.

	NUMBER ISSUED AND OUTSTANDING	AMOUNT
Balance at January 1, 2025	127,955,983	\$4,545,196
Restricted Unit Plan (net of forfeitures) (note 16(b))	—	(2,044)
Balance at December 31, 2025	127,955,983	\$4,543,152
Restricted Unit Plan (net of forfeitures) (note 16(b))	—	(1,715)
Unit Issuance (net of issuance costs)	56,000,000	535,760
Balance at September 30, 2026	183,955,983	\$5,077,197

On February 18, 2026, Allied raised total gross proceeds of \$560,000 through a public offering issuance of 40,000,000 Units and a concurrent private placement issuance of 16,000,000 Units at a price of \$10.00 per Unit. Costs relating to the issuance totaled \$24,240 which were applied against the gross proceeds of the issuance and charged against Unitholders' equity.

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

Distributions

On October 15, 2026, Allied declared a distribution for the month of October 2026 of \$0.06 per unit, representing \$0.72 per unit on an annualized basis to Unitholders of record as at October 30, 2026.

On October 28, 2026, the Board decided to reduce monthly distributions to Unitholders by 90% to \$0.072 per unit on an annualized basis, beginning with the distribution for the month of November 2026.

Normal course issuer bid

On February 24, 2026, Allied received approval from the TSX for the renewal of its normal course issuer bid (“NCIB”), which entitles Allied to purchase up to 18,215,302 of its outstanding Units, representing approximately 10% of its public float as at February 18, 2026. The NCIB commenced February 26, 2026, and will expire on February 25, 2027, 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 nine months ended September 30, 2026, Allied purchased 182,219 Units for \$1,715 at a weighted average price of \$9.41 for delivery to participants under Allied’s Restricted Unit Plan.

15. 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 nine months ended September 30, 2026, and the year ended December 31, 2025.

	NUMBER ISSUED AND OUTSTANDING	AMOUNT
Balance at January 1, 2025	11,809,145	\$202,527
Fair value gain on Exchangeable LP Units	—	(44,639)
Balance at December 31, 2025	11,809,145	\$157,888
Fair value gain on Exchangeable LP Units	—	(74,043)
Balance at September 30, 2026	11,809,145	\$83,845

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, 2026, to September 30, 2026, was \$6,377 for which Choice Properties elected to receive a loan in lieu of all of the distributions. A note receivable of \$6,377 was outstanding from Choice Properties as of September 30, 2026, the amount entirely consisting of cash advances made during the nine months ended September 30, 2026, 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, 2026, \$21,256 of the note receivable due from Choice Properties as at December 31, 2025, was settled on a net basis against the distributions payable to Choice Properties.

On October 15, 2026, the Partnership declared a distribution for the month of October 2026 of \$0.06 per Exchangeable LP Unit, representing \$0.72 per Exchangeable LP Unit on an annualized basis to holders of the Exchangeable Units as at October 30, 2026, for which Choice Properties elected to receive a loan in lieu of the distribution.

16. 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	EXPIRED - LIFE TO DATE	NET OUTSTANDING	VESTED
March 1, 2016	March 1, 2026	540,480	\$31.56	(350,831)	(25,477)	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	—	(8,914)	—	343,316	343,316
February 3, 2021	February 3, 2031	442,233	\$36.55	(1,533)	(5,601)	—	435,099	435,099
		2,136,901		(393,342)	(44,322)	164,172	1,535,065	1,535,065

	NINE MONTHS ENDED		YEAR ENDED	
	SEPTEMBER 30, 2026		DECEMBER 31, 2025	
	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	\$35.34-\$54.59	2.71	\$31.56-\$54.59	3.14

	NINE MONTHS ENDED		YEAR ENDED	
	SEPTEMBER 30, 2026		DECEMBER 31, 2025	
	NUMBER OF UNITS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF UNITS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	1,710,698	\$42.02	1,712,971	\$42.01
Forfeited	(11,461)	\$48.07	(2,273)	\$31.56
Expired	(164,172)	\$31.56	—	\$—
Balance, end of period	1,535,065	\$43.10	1,710,698	\$42.02
Units exercisable at the end of the period	1,535,065	\$43.10	1,710,698	\$42.02

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 and nine months ended September 30, 2026, Allied recorded a unit-based compensation expense of \$nil and \$nil, respectively (September 30, 2025 - \$nil and \$5, respectively) in general and administrative expenses.

(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:

	NINE MONTHS ENDED SEPTEMBER 30, 2026	YEAR ENDED DECEMBER 31, 2025
Restricted Units, beginning of period	396,128	310,435
Granted	181,399	119,078
Released	(126,105)	(33,385)
Restricted Units, end of period	451,422	396,128

For the three and nine months ended September 30, 2026, Allied recorded a unit-based compensation expense of \$217 and \$1,572, respectively (September 30, 2025 - \$326 and \$1,608, respectively) in general and administrative expenses.

(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:

	NINE MONTHS ENDED SEPTEMBER 30, 2026	YEAR ENDED DECEMBER 31, 2025
Plan Units, beginning of period	872,392	537,714
Granted	401,383	342,431
Settled	(324,955)	(48,566)
Forfeited	(127,014)	(46,102)
Distribution equivalents	47,736	86,915
Plan Units, end of period	869,542	872,392

For the three and nine months ended September 30, 2026, Allied recorded a unit-based compensation recovery of \$170 and expense of \$1,257, respectively (September 30, 2025 - expense of \$5,299 and \$7,207, respectively), including the mark-to-market adjustment, in general and administrative expenses. During the nine months ended September 30, 2026, 324,955 Plan Units (September 30, 2025 - 48,566 Plan Units) vested and settled in cash resulting in a decrease of \$3,226 (September 30, 2025 - \$816) to the unit-based compensation liabilities.

(d) *Total Return Swap*

Allied has 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. 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 financial statements. 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. The swap matures on March 18, 2027.

For the three and nine months ended September 30, 2026, Allied recorded a unit-based compensation expense of \$2,063 and \$4,694, respectively (September 30, 2025 - recovery of \$2,994 and \$3,279, respectively), including the mark-to-market adjustment.

17. RENTAL REVENUE

Rental revenue includes the following:

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Base rent ⁽¹⁾	\$67,331	\$70,128	\$207,483	\$211,392
Tax and insurance recoveries	24,056	25,607	75,813	81,765
Miscellaneous revenue ⁽²⁾	9,397	9,431	26,904	25,474
Operating cost recoveries	37,333	42,766	112,358	124,982
Total rental revenue	\$138,117	\$147,932	\$422,558	\$443,613

(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 2026	2027	2028	2029	2030	THEREAFTER	TOTAL
Future minimum rental income	\$73,849	\$296,230	\$278,926	\$258,513	\$219,555	\$865,854	\$1,992,927

18. GENERAL AND ADMINISTRATIVE EXPENSES

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Salaries and benefits ⁽¹⁾	\$3,274	\$4,318	\$9,380	\$13,147
Severance expense	—	—	5,870	—
Professional and trustee fees	1,506	1,282	5,919	4,479
Office and general expenses	1,511	1,699	4,631	4,621
	\$6,291	\$7,299	\$25,800	\$22,247
Capitalized to qualifying investment properties and residential inventory	(1,070)	(1,291)	(3,176)	(4,009)
Total general and administrative expenses	\$5,221	\$6,008	\$22,624	\$18,238

(1) Salaries and benefits are net of amounts allocated to dispositions of investment properties.

19. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents include the following components:

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Cash	\$75,139	\$96,452
Short-term deposits	159	157
Total cash and cash equivalents	\$75,298	\$96,609

The following summarizes supplemental cash flow information in operating activities:

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Interest paid (net of the impact of capitalization)	\$55,242	\$48,195	\$136,219	\$97,208
Interest capitalized to qualifying investment properties and residential inventory (note 10(f))	5,052	14,644	18,221	47,769
Financing prepayment costs (note 10(f))	—	568	—	734
Interest paid on debt (including capitalized interest and financing prepayment costs)	\$60,294	\$63,407	\$154,440	\$145,711

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

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Net change in accounts receivable, prepaid expenses and deposits	\$7,900	\$82,236	\$(26,818)	\$49,291
Net change in loans and notes receivable	(14,005)	9,592	(11,489)	(23,846)
Net change in accounts payable and other liabilities	(24,150)	(33,246)	2,780	(67,468)
Other working capital changes	28,706	(2,392)	37,485	26,806
Change in non-cash operating items	\$(1,549)	\$56,190	\$1,958	\$(15,217)

The following summarizes the non-cash transactions:

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Supplemental				
Construction loans assumed (notes 4, 10(b))	\$—	\$64,745	\$—	\$64,745

20. 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	
			SEPTEMBER 30, 2026	DECEMBER 31, 2025
642 King W	Toronto, ON	Rental Property	50%	50%
Breithaupt Block	Kitchener, ON	Rental Property	50%	50%
College & Manning	Toronto, ON	Held for sale	50%	50%
College & Palmerston	Toronto, ON	Held for sale	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	50%	50%
175 Bloor Street E	Toronto, ON	Rental Property	50%	50%
110 Yonge Street	Toronto, ON	Rental Property	50%	50%
Calgary House	Calgary, AB	Held for sale	50%	50%
			SEPTEMBER 30, 2026	DECEMBER 31, 2025
Total assets			\$1,600,612	\$1,767,362
Total liabilities			\$563,612	\$543,819

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025 ⁽¹⁾	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025 ⁽¹⁾
Revenue	\$26,225	\$24,264	\$75,518	\$75,231
Expenses	(14,278)	(11,702)	(41,566)	(36,291)
Income before fair value adjustment on investment properties and impairment of residential inventory	\$11,947	\$12,562	\$33,952	\$38,940
Impairment of residential inventory	—	(14,393)	(48,065)	(23,920)
Fair value gain (loss) on investment properties	9,732	5,481	(182,844)	(24,721)
Net income (loss)	\$21,679	\$3,650	\$(196,957)	\$(9,701)

(1) Includes Allied's 50% interest in 108 East 5th Avenue. On September 25, 2025, Allied acquired an incremental 50% interest in 108 East 5th Avenue, bringing its total ownership in 108 East 5th Avenue to 100%.

21. 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, mark-to-market recovery (expense) on unit-based compensation, 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, impairment of residential inventory and expected credit loss on loans and notes receivable are not allocated to operating segments.

On April 30, 2025, Allied disposed of its Edmonton property.

The following tables present a reconciliation of operating income to net income (loss) and comprehensive income (loss) for the three and nine months ended September 30, 2026, and 2025.

THREE MONTHS ENDED SEPTEMBER 30, 2026	TORONTO & KITCHENER	MONTREAL	VANCOUVER	CALGARY	TOTAL
Rental revenue	\$70,968	\$43,537	\$16,596	\$7,016	\$138,117
Property operating costs	(33,740)	(24,688)	(6,478)	(4,795)	(69,701)
Operating income	\$37,228	\$18,849	\$10,118	\$2,221	\$68,416
Interest income					539
Interest expense					(40,142)
General and administrative expenses					(5,221)
Condominium marketing expenses					(35)
Amortization of other assets					(453)
Transaction costs					(394)
Mark-to-market expense on unit-based compensation					(1,514)
Fair value loss on investment properties and investment properties held for sale					(38,596)
Fair value gain on Exchangeable LP Units					32,475
Fair value gain on derivative instruments					6,676
Expected credit loss on loans and notes receivable					—
Impairment of residential inventory					—
Net income and comprehensive income					\$21,751

NINE MONTHS ENDED SEPTEMBER 30, 2026	TORONTO & KITCHENER	MONTREAL	VANCOUVER	CALGARY	TOTAL
Rental revenue	\$211,415	\$138,651	\$51,819	\$20,673	\$422,558
Property operating costs	(105,014)	(77,012)	(19,120)	(13,597)	(214,743)
Operating income	\$106,401	\$61,639	\$32,699	\$7,076	\$207,815
Interest income					18,568
Interest expense					(119,421)
General and administrative expenses					(22,624)
Condominium marketing expenses					(128)
Amortization of other assets					(1,375)
Transaction costs					(5,233)
Mark-to-market expense on unit-based compensation					(3,471)
Fair value loss on investment properties and investment properties held for sale					(931,951)
Fair value gain on Exchangeable LP Units					74,043
Fair value gain on derivative instruments					6,197
Expected credit loss on loans and notes receivable					(44,000)
Impairment of residential inventory					(48,065)
Net loss and comprehensive loss					\$(869,645)

THREE MONTHS ENDED SEPTEMBER 30, 2025	TORONTO & KITCHENER	MONTRÉAL	VANCOUVER	CALGARY	TOTAL
Rental revenue	\$73,878	\$51,216	\$15,741	\$7,097	\$147,932
Property operating costs	(32,489)	(25,831)	(5,251)	(3,634)	(67,205)
Operating income	\$41,389	\$25,385	\$10,490	\$3,463	\$80,727
Interest income					9,976
Interest expense					(35,488)
General and administrative expenses					(6,008)
Condominium marketing expenses					(5)
Amortization of other assets					(642)
Transaction costs					(999)
Mark-to-market expense on unit-based compensation					(1,450)
Fair value loss on investment properties and investment properties held for sale					(100,265)
Fair value loss on Exchangeable LP Units					(42,277)
Fair value loss on derivative instruments					(2,565)
Expected credit loss on loans and notes receivable					—
Impairment of residential inventory					(14,393)
Net loss and comprehensive loss					\$(113,389)

NINE MONTHS ENDED SEPTEMBER 30, 2025	TORONTO & KITCHENER	MONTRÉAL	VANCOUVER	CALGARY & EDMONTON	TOTAL
Rental revenue	\$220,474	\$149,087	\$49,655	\$24,397	\$443,613
Property operating costs	(93,681)	(77,610)	(17,098)	(13,312)	(201,701)
Operating income	\$126,793	\$71,477	\$32,557	\$11,085	\$241,912
Interest income					30,770
Interest expense					(98,989)
General and administrative expenses					(18,238)
Condominium marketing expenses					(18)
Amortization of other assets					(1,375)
Transaction costs					(1,659)
Mark-to-market expense on unit-based compensation					(1,901)
Fair value loss on investment properties and investment properties held for sale					(394,098)
Fair value loss on Exchangeable LP Units					(42,395)
Fair value loss on derivative instruments					(5,878)
Expected credit loss on loans and notes receivable					—
Impairment of residential inventory					(23,920)
Net loss and comprehensive loss					\$(315,789)

22. 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 consolidated financial statements. Income tax obligations relating to distributions of Allied are the obligations of the Unitholders.

23. 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., key management personnel and their close family members.

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 recorded in general and administrative expenses and are summarized in the table below:

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025
Salary, bonus and other short-term employee benefits	\$845	\$1,160	\$2,535	\$3,544
Unit-based compensation	386	866	1,773	2,953
Total compensation for key management personnel	\$1,231	\$2,026	\$4,308	\$6,497

24. RISK MANAGEMENT

(a) *Capital management*

Allied defines capital as the aggregate of equity, Exchangeable LP Units, mortgages payable, construction loan 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 and to fund acquisitions and development activities of properties.

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 September 30, 2026, the debt to gross book value ratio was 50.2% (December 31, 2025 - 50.7%).

Allied has certain key financial covenants in its debt agreements. 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 September 30, 2026.

(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 September 30, 2026, 98.71% of Allied's debt is at a fixed rate (December 31, 2025 - 99.98%). 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	
		-1.0%	+1.0%
	CARRYING AMOUNT AS AT SEPTEMBER 30, 2026	INCOME IMPACT	INCOME IMPACT
Construction loan payable	\$2,505	\$25	\$(25)
Mortgages payable	\$26,580	\$266	\$(266)
Unsecured Debentures	\$700,000	\$7,000	\$(7,000)

(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	
		-\$1.00	+\$1.00
	CARRYING AMOUNT AS AT SEPTEMBER 30, 2026	INCOME IMPACT	INCOME IMPACT
Unit-based compensation liabilities (notes 12 and 16(c))	\$1,419	\$870	\$(870)
Exchangeable LP Units (note 15)	\$83,845	\$11,809	\$(11,809)
Total return swap derivative liability (notes 12 and 16(d))	\$7,225	\$(750)	\$750

(d) *Credit risk*

As Allied has provided loans, advances and notes receivable to facilitate property development, Allied's assessment of credit risk took into consideration the borrower's financial position, status of corporate guarantees, construction and leasing status on development projects, status of principal and interest payments, and underlying value of the borrower's security or collateral. Allied's loans, advances and notes receivable will be subordinate to prior ranking loans, mortgages or charges. As at September 30, 2026, Allied had \$529,137 outstanding in loans and notes receivable (December 31, 2025 - \$473,648), which excludes the ECL on loans and notes receivable. 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, assessing the value of underlying security or collateral and ensuring interest payments are made on time. The expected credit losses estimated by Management, giving consideration to the factors above, as at September 30, 2026, are \$172,000 (December 31, 2025 - \$128,000) (note 7).

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 September 30, 2026, are \$9,699 (December 31, 2025 - \$11,319) (note 9 (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.

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

	SEPTEMBER 30, 2026	DECEMBER 31, 2025
Less than 30 days	\$1,517	\$3,110
30 to 60 days	1,055	1,692
More than 60 days	11,321	10,005
Total	\$13,893	\$14,807

(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 September 30, 2026 (December 31, 2025 - 3.59% and 5.25%). There were no variable rate mortgages payable as at September 30, 2026, and December 31, 2025.

Allied entered into interest rate derivative contracts to limit its exposure to fluctuations in interest rates on \$450,000 of its variable rate unsecured term loans, construction loan, mortgages, unsecured debentures and Unsecured Facility (December 31, 2025 - \$450,000). Gains or losses arising from the change in fair values of the interest rate derivative contracts are recognized in the unaudited condensed consolidated financial statements. For the three and nine months ended September 30, 2026, Allied recognized as part of the change in fair value adjustment on derivative instruments a fair value gain of \$6,676 and \$6,197, respectively (September 30, 2025 - fair value loss of \$2,565 and \$5,878, respectively).

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 financial statements. For the three and nine months ended September 30, 2026, Allied recognized a mark-to-market expense of \$2,062 and \$4,701, respectively (September 30, 2025 - recovery of \$2,797 and \$2,695, respectively).

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 2026	2027	2028	2029	2030	THEREAFTER	TOTAL
Mortgages payable	\$27,950	\$78,612	\$103,919	\$113,691	\$234,431	\$—	\$558,603
Construction loan payable	984	3,903	102,836	—	—	—	107,723
Unsecured Facility	—	—	—	—	—	—	—
Unsecured Debentures	16,353	817,244	649,294	819,945	442,711	994,214	3,739,761
Unsecured Term Loans	1,356	5,394	150,454	—	—	—	157,204
Total	\$46,643	\$905,153	\$1,006,503	\$933,636	\$677,142	\$994,214	\$4,563,291

25. COMMITMENTS AND CONTINGENCIES

Allied has entered into commitments relating to development and upgrade activity. The commitments as at September 30, 2026, were \$101,049 (December 31, 2025 - \$105,834).

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 has issued letters of credit in the amount of \$12,927 as at September 30, 2026 (December 31, 2025 - \$13,872).

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.

Board of Trustees

Matthew Andrade ⁽¹⁾⁽²⁾	Lois Cormack ⁽¹⁾⁽²⁾
Mario Barrafato ⁽¹⁾	Stephen Sender ⁽¹⁾
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Hazel Claxton ⁽²⁾	Cecilia Williams
Donald Clow ⁽²⁾	

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STOCK EXCHANGE LISTING AND SYMBOL

Toronto Stock Exchange
Units - AP.UN

AUDITORS

Deloitte LLP

TRANSFER AGENT & REGISTRAR

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E-mail: shareholderinquiries@tmx.com
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INVESTOR RELATIONS

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Website: www.alliedreit.com

(1) *Audit Committee*

(2) *Governance, Compensation and Nomination Committee*

(3) *Chair of the Board*