



Allied Announces Third-Quarter Results

- Reduction of the monthly distribution by 90% to strengthen the balance sheet
- Leasing and occupancy gains ahead of expectations
- Dispositions on track to exceed 2026 target and multi-year program expansion by \$750 million-\$1.5 billion is underway
- 2026 deleveraging objectives on track

TORONTO, OCTOBER 28, 2026

Allied Properties Real Estate Investment Trust ("Allied") (TSX: "AP.UN") today announced results for the three months ended September 30, 2026.

"Stronger leasing has enabled us to raise our year-end occupancy outlook, while reducing leverage remains our highest priority," said Allied President and CEO Cecilia Williams. "We're expanding our disposition program, directing sale proceeds to debt repayment and pursuing opportunities to reduce capital commitments. We recognize the importance of distributions to our unitholders. At the same time, strengthening the balance sheet is our priority, and reducing the distribution will retain cash to accelerate debt reduction and improve Allied's financial position."

Q3 2026 HIGHLIGHTS

- Allied's Board of Trustees has decided to reduce the monthly distribution by 90% to \$0.006 per unit per month (\$0.072 per unit annualized) beginning with the month of November 2026, retaining approximately \$126 million annually for debt reduction. The decision supports Allied's priority of strengthening its balance sheet and improving financial flexibility.
- Occupied and leased area of 84.9% and 86.8%, respectively, were higher than expected, reflecting strong leasing execution.
- Completed \$321 million of dispositions to date with approximately \$15 million of incremental dispositions now firm, totaling approximately \$336 million of gross proceeds secured year to date. Subsequent to the quarter, the disposition of Toronto House and 19 Duncan went firm, subject to Competition Act approval, with closing expected in Q4 2026, bringing overall gross proceeds from dispositions to approximately \$660 million. Additional properties are being marketed or are under negotiation, with closings targeted for the balance of 2026 and the first half of 2027.
- As previously disclosed, we ceased recognizing interest income on the Westbank-related loans during the quarter. This resulted in net debt to EBITDA* for the nine months ended September 30, 2026, increasing to 12.5x from 12.0x in Q2. With expected disposition proceeds allocated to reduce debt, net debt to EBITDA is expected to decline to the mid-11x range by year end.
- FFO* per unit of \$0.194 reflects lower interest income.

* Net debt as a multiple of Annualized Adjusted EBITDA. FFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation. This is a non-GAAP measure. Refer to the Non-GAAP Measures section below.

- Expansion of disposition program beyond 2026 by an incremental \$750 million to \$1.5 billion over a multi-year period.

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*	\$228.8 million	\$310 million to \$320 million	\$300 million to \$305 million
Growth/(decline) in Same Asset NOI* (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 ⁽²⁾⁽⁵⁾	12.5x	Mid-11x range	On track - no change

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

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

(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.

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

Q3 2026 RESULTS

OPERATIONS

At the end of Q3 2026, Allied's occupied and leased area were higher than expected at 84.9% and 86.8%, respectively, reflecting strong leasing execution.

Allied leased a total of 427,190 square feet of GLA in Q3 2026, including 387,208 square feet in its rental portfolio and 39,982 square feet in its development portfolio.

Of the 387,208 square feet Allied leased in its rental portfolio, 115,909 square feet were vacant at the beginning of the quarter, 99,879 square feet related to leases that matured in the quarter and 171,420 square feet represent future maturities.

31,082 square feet of space leased in Q3 2026 involved expansion by existing users. 195,251 square feet of space leased in Q3 2026 involved new users to the portfolio. Allied continues to see strong demand from existing users for expansion space.

Including relocations and early renewals related to maturities in Q3 2026, Allied leased 73.6% of the expiring GLA, modestly better than expected.

Rental rates on renewals increased by 2.8% ending-to-starting base rent and 3.4% average-to-average base rent, in line with expectations.

Allied's total leasing pipeline including leasing and renewals increased 12% in Q3 2026 and is up 49% since the beginning of the year. This increased activity is an encouraging indication for future occupancy and earnings growth.

PROPERTY DISPOSITIONS AND DEBT REDUCTION

Allied is on track to exceed its 2026 disposition target of \$500 million.

As of the date of this release, Allied has completed \$321 million of dispositions and has firm agreements for approximately \$340 million of additional sales expected to close in Q4 2026. The contractual agreements include Toronto House and 19 Duncan. Together, completed dispositions and firm agreements represent approximately \$660 million of gross proceeds.

Additional properties are being marketed or are under negotiation, with closings targeted for the balance of 2026 and the first half of 2027. These transactions remain subject to reaching firm agreements and completing the applicable closing requirements.

All proceeds from dispositions will be allocated to repaying debt. Based on dispositions closed, firm agreements, and properties at various stages of marketing or negotiation, we expect to repay at least \$350 million of the \$700 million April 2027 bond maturities with disposition proceeds. The remaining maturities of \$350 million will be refinanced with either secured or unsecured debt.

In support of ongoing deleveraging efforts, Allied is expanding the disposition program beyond 2026 by an additional \$750 million to \$1.5 billion over a multi-year period.

COMPLETION OF DEVELOPMENT PIPELINE

KING Toronto is Allied's sole remaining committed development. As disclosed previously, Allied continues to work with advisors to ensure progress continues as expected.

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

150 WEST GEORGIA

Due to construction delays being managed by a third party and ongoing discussions with prospective purchasers, Allied no longer expects the \$125 million partial repayment of its loan secured by 150 West Georgia to occur in December 2026. Management now anticipates at least partial repayment as part of a resolution in 2027.

Allied is actively engaged with its advisors to evaluate and pursue alternatives to maximize recovery of its outstanding loan, and has retained Finnegan Marshall Inc. as its development monitor and cost consultant.

The deferral does not change Allied's funding plan. Funding for operating requirements, committed capital expenditures and upcoming debt maturities does not depend on repayment of this loan in 2026, and the year-end net debt to EBITDA target also assumes no repayment in 2026.

DISTRIBUTION

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.

FINANCIAL MEASURES

The following tables summarize GAAP financial measures for the three and nine months ended September 30, 2026, and 2025:

(in thousands except for % amounts)	FOR THE THREE MONTHS ENDED SEPTEMBER 30			
	2026	2025	CHANGE	% CHANGE
Rental revenue	\$138,117	\$147,932	\$(9,815)	(6.6)%
Property operating costs	\$(69,701)	\$(67,205)	\$(2,496)	(3.7)%
Operating income	\$68,416	\$80,727	\$(12,311)	(15.3)%
Interest income	\$539	\$9,976	\$(9,437)	(94.6)%
Interest expense	\$(40,142)	\$(35,488)	\$(4,654)	(13.1)%
General and administrative expenses	\$(5,221)	\$(6,008)	\$787	13.1%
Condominium marketing expenses	\$(35)	\$(5)	\$(30)	(600.0)%
Amortization of other assets	\$(453)	\$(642)	\$189	29.4%
Transaction costs	\$(394)	\$(999)	\$605	60.6%
Mark-to-market expense on unit-based compensation	\$(1,514)	\$(1,450)	\$(64)	(4.4)%
Fair value loss on investment properties and investment properties held for sale	\$(38,596)	\$(100,265)	\$61,669	61.5%
Fair value gain (loss) on Exchangeable LP Units	\$32,475	\$(42,277)	\$74,752	176.8%
Fair value gain (loss) on derivative instruments	\$6,676	\$(2,565)	\$9,241	360.3%
Expected credit loss on loans and notes receivable	\$—	\$—	\$—	—%
Impairment of residential inventory	\$—	\$(14,393)	\$14,393	100.0%
Net income (loss) and comprehensive income (loss) ⁽¹⁾	\$21,751	\$(113,389)	\$135,140	119.2%

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

Operating income is affected by non-renewals, dispositions, decapitalization of operating costs as space became ready for its intended use and a lease termination fee received in 2025.

Interest expense reflects lower capitalized interest due to the completion of development and upgrade projects, and the disposition of properties under development. Before accounting for capitalized interest expense, interest expense decreased by \$4 million, or 8.8%. Refer to the MD&A and Note 10 in the financial statements for more detailed information.

Fair value loss on investment properties and investment properties held for sale reflect higher market discount rates and terminal capitalization rates based on transactions in the quarter as well as changes to cash flow assumptions.

(in thousands except for % amounts)	FOR THE NINE MONTHS ENDED SEPTEMBER 30			
	2026	2025	CHANGE	% CHANGE
Rental revenue	\$422,558	\$443,613	\$(21,055)	(4.7)%
Property operating costs	\$(214,743)	\$(201,701)	\$(13,042)	(6.5)%
Operating income	\$207,815	\$241,912	\$(34,097)	(14.1)%
Interest income	\$18,568	\$30,770	\$(12,202)	(39.7)%
Interest expense	\$(119,421)	\$(98,989)	\$(20,432)	(20.6)%
General and administrative expenses	\$(22,624)	\$(18,238)	\$(4,386)	(24.0)%
Condominium marketing expenses	\$(128)	\$(18)	\$(110)	(611.1)%
Amortization of other assets	\$(1,375)	\$(1,375)	\$—	—%
Transaction costs	\$(5,233)	\$(1,659)	\$(3,574)	(215.4)%
Mark-to-market expense on unit-based compensation	\$(3,471)	\$(1,901)	\$(1,570)	(82.6)%
Fair value loss on investment properties and investment properties held for sale	\$(931,951)	\$(394,098)	\$(537,853)	(136.5)%
Fair value gain (loss) on Exchangeable LP Units	\$74,043	\$(42,395)	\$116,438	274.7%
Fair value gain (loss) on derivative instruments	\$6,197	\$(5,878)	\$12,075	205.4%
Expected credit loss on loans and notes receivable	\$(44,000)	\$—	\$(44,000)	(100.0)%
Impairment of residential inventory	\$(48,065)	\$(23,920)	\$(24,145)	(100.9)%
Net loss and comprehensive loss ⁽¹⁾	\$(869,645)	\$(315,789)	\$(553,856)	(175.4)%

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

Operating income is affected by non-renewals, dispositions, decapitalization of operating costs as space became ready for its intended use, a retroactive multi-year property tax assessment and a lease termination received in 2025.

Interest expense reflects lower capitalized interest due to the completion of development and upgrade projects, and the disposition of properties under development. Before accounting for capitalized interest expense, interest expense decreased by \$8 million, or 5.7%. Refer to the MD&A and Note 10 in the financial statements for more detailed information.

General and administrative expenses include \$5.9 million of one-time contractual severance cost. Excluding the one-time cost, general and administrative expenses decreased by \$1.5 million, or 8.1%.

Fair value loss on investment properties and investment properties held for sale reflect higher market discount rates and terminal capitalization rates based on transactions primarily in Toronto and Montréal, changes to cash flow assumptions, adjustments to land values in Toronto, and cost increases in the development portfolio. Across the portfolio, overall capitalization rates, discount rates and terminal capitalization rates increased on average between 36-49 bps during the nine months ended September 30, 2026.

The following table summarizes other financial measures as at September 30, 2026, and 2025:

(in thousands except for per unit and % amounts)	AS AT SEPTEMBER 30			
	2026	2025	CHANGE	% CHANGE
Investment properties ⁽¹⁾	\$6,983,586	\$9,392,358	\$(2,408,772)	(25.6)%
Unencumbered investment properties ⁽²⁾	\$6,216,445	\$8,346,998	\$(2,130,553)	(25.5)%
Total Assets ⁽¹⁾	\$8,155,483	\$10,378,800	\$(2,223,317)	(21.4)%
Cost of PUD as a % of GBV ⁽²⁾	5.8%	7.8%	—	(2.0)%
NAV per unit ⁽³⁾	\$18.75	\$38.05	\$(19.30)	(50.7)%
Debt ⁽¹⁾	\$4,081,202	\$4,682,121	\$(600,919)	(12.8)%
Total indebtedness ratio ⁽²⁾	50.2%	45.2%	—	5.0%
Annualized Adjusted EBITDA ⁽²⁾⁽⁴⁾	\$297,364	\$374,536	\$(77,172)	(20.6)%
Net debt as a multiple of Annualized Adjusted EBITDA ⁽²⁾⁽⁴⁾	13.5x	12.3x	1.2x	—
Interest coverage ratio including interest capitalized and excluding financing prepayment costs - three months trailing ⁽²⁾⁽⁴⁾	1.7x	2.1x	(0.4x)	—
Interest coverage ratio including interest capitalized and excluding financing prepayment costs - twelve months trailing ⁽²⁾	1.9x	2.2x	(0.3x)	—

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

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

(3) Net asset value per unit ("NAV per unit") is calculated as total equity plus the value of the class B limited partnership units of Allied Properties Exchangeable Limited Partnership ("Exchangeable LP Units") as at the corresponding period ended, divided by the actual number of Units and Exchangeable LP Units. The rationale for including the value of Exchangeable LP Units is because they are economically equivalent to Units, receive distributions equal to the distributions paid on the Units and are exchangeable, at the holder's option, for Units.

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

NON-GAAP MEASURES

Management uses financial measures based on IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards" or "GAAP") and non-GAAP measures to assess Allied's performance. Non-GAAP measures do not have any standardized meaning prescribed under IFRS Accounting Standards, and therefore, should not be construed as alternatives to net income or cash flow from operating activities calculated in accordance with IFRS Accounting Standards. Refer to the Non-GAAP Measures section on page 13 of the MD&A as at September 30, 2026, available on www.sedarplus.ca, for an explanation of the composition of the non-GAAP measures used in this press release and their usefulness for readers in assessing Allied's performance. Such explanation is incorporated by reference herein.

The following table summarize non-GAAP financial measures for the three and nine months ended September 30, 2026, and 2025:

(in thousands except for per unit and % amounts)	FOR THE THREE MONTHS ENDED SEPTEMBER 30			
	2026	2025	CHANGE	% CHANGE
Adjusted EBITDA	\$74,341	\$93,634	\$(19,293)	(20.6)%
Same Asset NOI - rental portfolio	\$71,102	\$77,042	\$(5,940)	(7.7)%
Same Asset NOI - total portfolio	\$73,690	\$81,515	\$(7,825)	(9.6)%
FFO	\$36,454	\$63,719	\$(27,265)	(42.8)%
FFO per unit (diluted)	\$0.186	\$0.456	\$(0.270)	(59.2)%
FFO payout ratio	96.7%	98.7%	—	(2.0)%
AFFO	\$20,046	\$59,129	\$(39,083)	(66.1)%
AFFO per unit (diluted)	\$0.102	\$0.423	\$(0.321)	(75.9)%
AFFO payout ratio	175.8%	106.4%	—	69.4%
All amounts below are excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation:				
FFO	\$38,003	\$65,742	\$(27,739)	(42.2)%
FFO per unit (diluted)	\$0.194	\$0.470	\$(0.276)	(58.7)%
FFO payout ratio	92.7%	95.7%	—	(3.0)%
AFFO	\$21,595	\$61,152	\$(39,557)	(64.7)%
AFFO per unit (diluted)	\$0.110	\$0.438	\$(0.328)	(74.9)%
AFFO payout ratio	163.2%	102.9%	—	60.3%

(in thousands except for per unit and % amounts)	FOR THE NINE MONTHS ENDED SEPTEMBER 30			
	2026	2025	CHANGE	% CHANGE
Adjusted EBITDA	\$240,770	\$282,515	\$(41,745)	(14.8)%
Same Asset NOI - rental portfolio	\$207,257	\$230,997	\$(23,740)	(10.3)%
Same Asset NOI - total portfolio	\$217,792	\$245,563	\$(27,771)	(11.3)%
FFO	\$129,431	\$203,802	\$(74,371)	(36.5)%
FFO per unit (diluted)	\$0.696	\$1.458	\$(0.762)	(52.3)%
FFO payout ratio	79.1%	92.6%	—	(13.5)%
AFFO	\$87,421	\$187,431	\$(100,010)	(53.4)%
AFFO per unit (diluted)	\$0.470	\$1.341	\$(0.871)	(65.0)%
AFFO payout ratio	117.1%	100.7%	—	16.4%
All amounts below are excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation:				
FFO	\$133,030	\$206,455	\$(73,425)	(35.6)%
FFO per unit (diluted)	\$0.716	\$1.477	\$(0.761)	(51.5)%
FFO payout ratio	76.9%	91.4%	—	(14.5)%
AFFO	\$91,020	\$190,084	\$(99,064)	(52.1)%
AFFO per unit (diluted)	\$0.490	\$1.360	\$(0.870)	(64.0)%
AFFO payout ratio	112.5%	99.3%	—	13.2%

Allied reviews the level and sustainability of its distributions quarterly. Due to continued macroeconomic uncertainty, the prioritization of disciplined capital allocation, cash preservation and balance sheet strengthening through debt reduction, the board decided to reduce the monthly distribution to Unitholders by 90% to \$0.006 per unit per month (\$0.072 per unit annualized), beginning with the distribution for the month of November 2026. Savings from the cash distribution will be allocated to debt reduction.

The following tables reconcile the non-GAAP measures to the most comparable GAAP measures for the three and nine months ended September 30, 2026, and 2025. These terms do not have any standardized meaning prescribed under IFRS Accounting Standards and may not be comparable to similarly titled measures presented by other publicly traded entities.

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

	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) 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) for the three and nine months ended September 30, 2026, respectively.

The following table reconciles operating income to net operating income, a non-GAAP measure, for the three and nine months ended September 30, 2026, and 2025.

	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

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

	THREE MONTHS ENDED		CHANGE	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	\$	%
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.

	NINE MONTHS ENDED		CHANGE	
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	\$	%
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.

The following tables reconcile Allied's net income (loss) and comprehensive income (loss) to FFO, FFO excluding condominium-related items, financing prepayment costs, transaction costs and the mark-to-market adjustment on unit-based compensation, AFFO, and AFFO excluding condominium-related items, financing prepayment costs, and the mark-to-market adjustment on unit-based compensation, which are non-GAAP measures, for the three and nine months ended September 30, 2026, and 2025.

	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	(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)
Weighted average number of units ⁽³⁾			
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)

	THREE MONTHS ENDED		
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	CHANGE
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) 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. 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) 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	(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)

	NINE MONTHS ENDED		
	SEPTEMBER 30, 2026	SEPTEMBER 30, 2025	CHANGE
Weighted average number of units ⁽³⁾			
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)
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)
Pay-out 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) 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 \$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) The weighted average number of units includes Units and Exchangeable LP Units.

CONFERENCE CALL

The Company will hold a conference call and live audio webcast at 10:00 a.m. (ET) on Thursday, October 29, 2026, to discuss financial results for the quarter ended September 30, 2026.

The conference call can be accessed by dialing 365-657-4084 or 1-833-769-6440, conference ID #695753604. A replay of the call will be available [here](#) or at www.alliedreit.com and will be archived for 90 days.

CAUTIONARY STATEMENTS

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

ABOUT ALLIED

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

FOR FURTHER INFORMATION, PLEASE CONTACT:

INVESTOR RELATIONS

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