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Investor Presentation

September 2018



This presentation may contain “forward looking” information about future events or the REIT’s future performance. This information, by its nature, is subject to risks and uncertainties that may cause actual events or results to differ materially, including those described under the heading “Risks and Uncertainties” in our most recently filed AIF. Material assumptions that underpin any forward-looking statements we make include those described under “Forward Looking Disclaimer” in our MD&A for the second quarter of 2018.

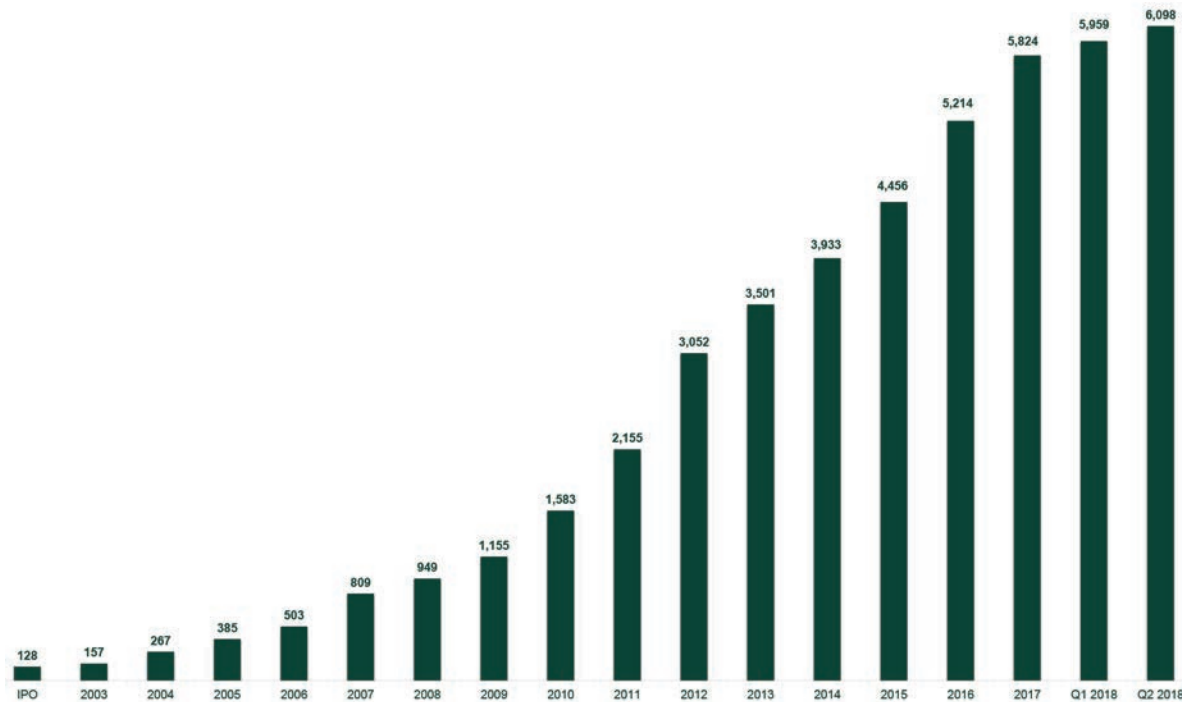
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INVESTMENT HIGHLIGHTS

- **At the forefront of urban intensification in Canada's major cities**
- **Fully internalized and entrepreneurial management team**
- **Strong growth platform**
- **Strong financial foundation**
- **29% Compound annual growth rate on total assets**
- **16.7% Average annual total return**

PORTFOLIO GROWTH - TOTAL ASSETS (M)



120M

IPO

6.1B

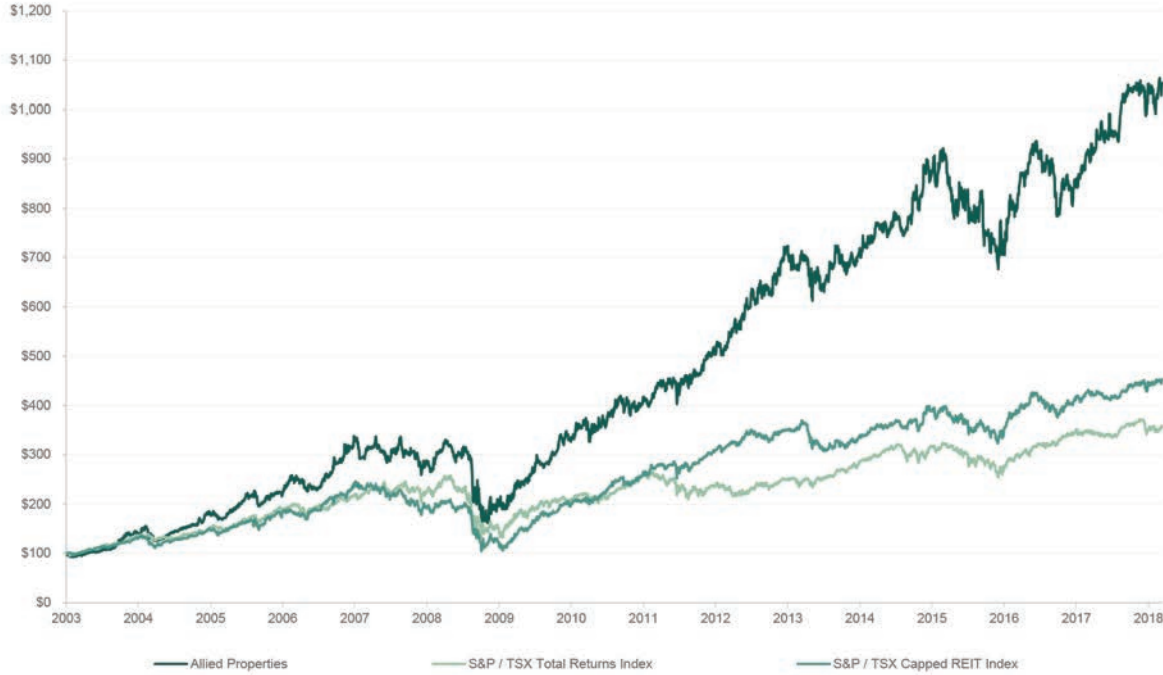
Q2 2018

29.4%

CAGR

Values up to December 31st, 2009 are based on financial reporting prepared in accordance with previous Canadian GAAP standards. Values after that Date are reported in accordance with International Financial Reporting Standards (IFRS). As at period ending June 30, 2018.

RETURNS TO UNITHOLDERS TOTAL RETURN INDEX



16.7%
**AVERAGE
ANNUAL
TOTAL
RETURN**

Source: Bloomberg as of August 1, 2018.



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Strategy

CONSOLIDATION OF
URBAN OFFICE PROPERTIES

- **Close to core**
- **Distinctive**
- **Lower occupancy costs**



500-522 King West
Toronto



Nordelec
Montréal



The Chambers

Ottawa



35-39 Front Street East

Toronto





Destination	Fare
CHICAGO	\$207
COLOMBO	\$945
COPENHAGEN	\$886
DUBAI	\$1120
HAMBURG	\$508
EDMONTON	\$418
OUR HERE	50
FLORENCE	\$880
FORT LAUDERDALE	\$262
FORT MYERS	\$335
FRANKFURT	\$827
GUANGZHOU	\$698
HALIFAX	\$369
HANOI	\$1055
HO CHI MINH CITY	\$899
HONG KONG	\$874
HONOLULU	\$658
HOUSTON	\$484
FLIGHT CENTRE	







INTENSIFICATION OF URBAN
OFFICE PROPERTIES

- **Underutilized land**
- **Additional rental area
with low land cost**
- **High returns**



Intensification of QRC West

Toronto



Intensification of QRC West

Toronto



Intensification of The Breithaupt Block

Kitchener



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Rental Portfolio

RENTAL PORTFOLIO

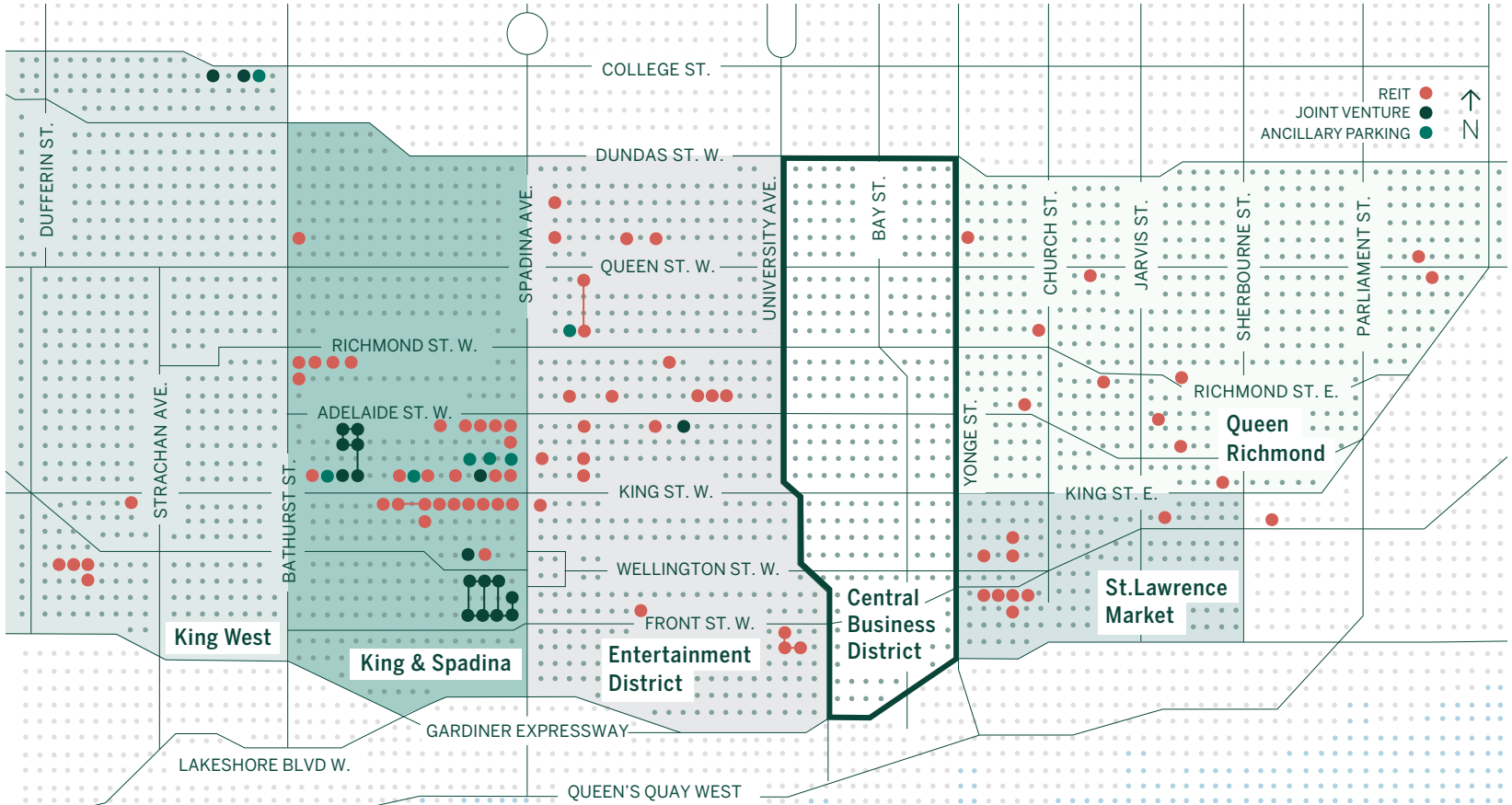
147
PROPERTIES

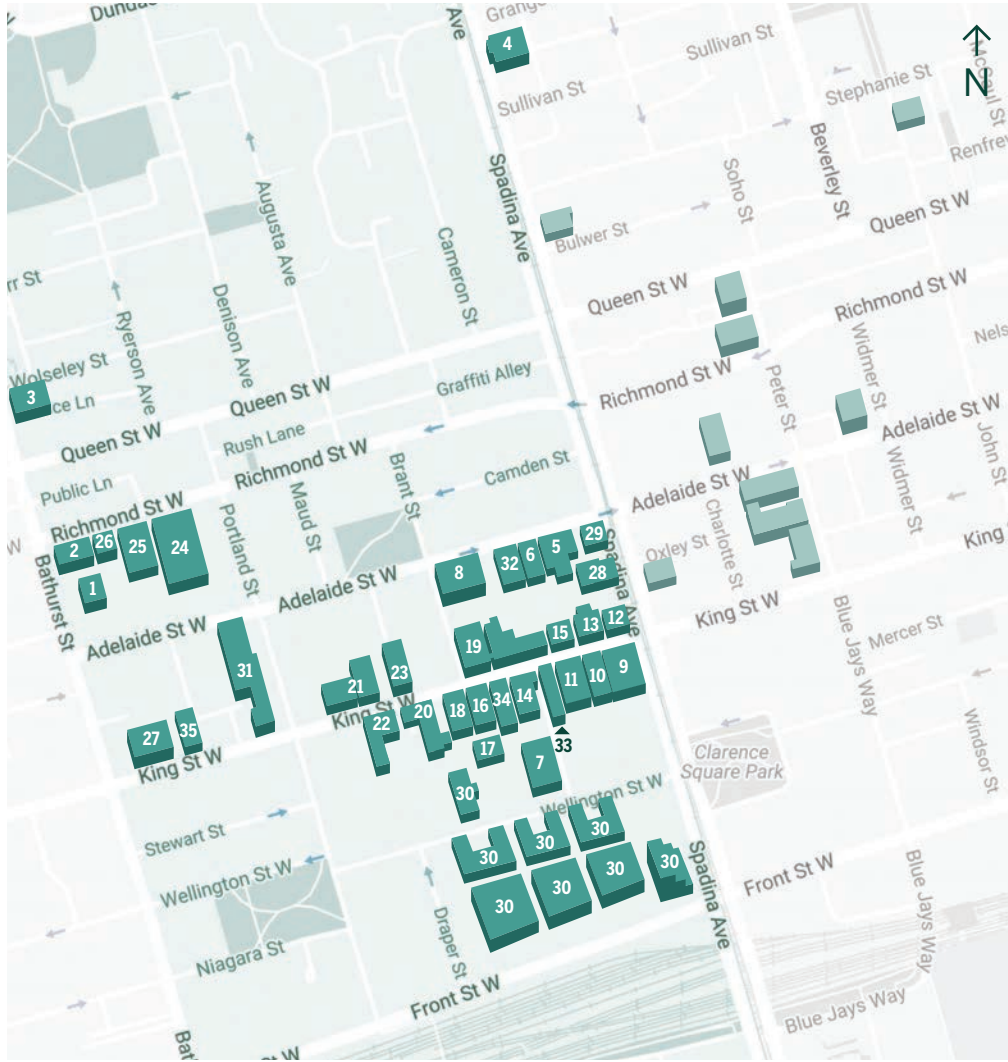
10.9M
SQUARE-FEET



As of June 30, 2018.

TORONTO PORTFOLIO

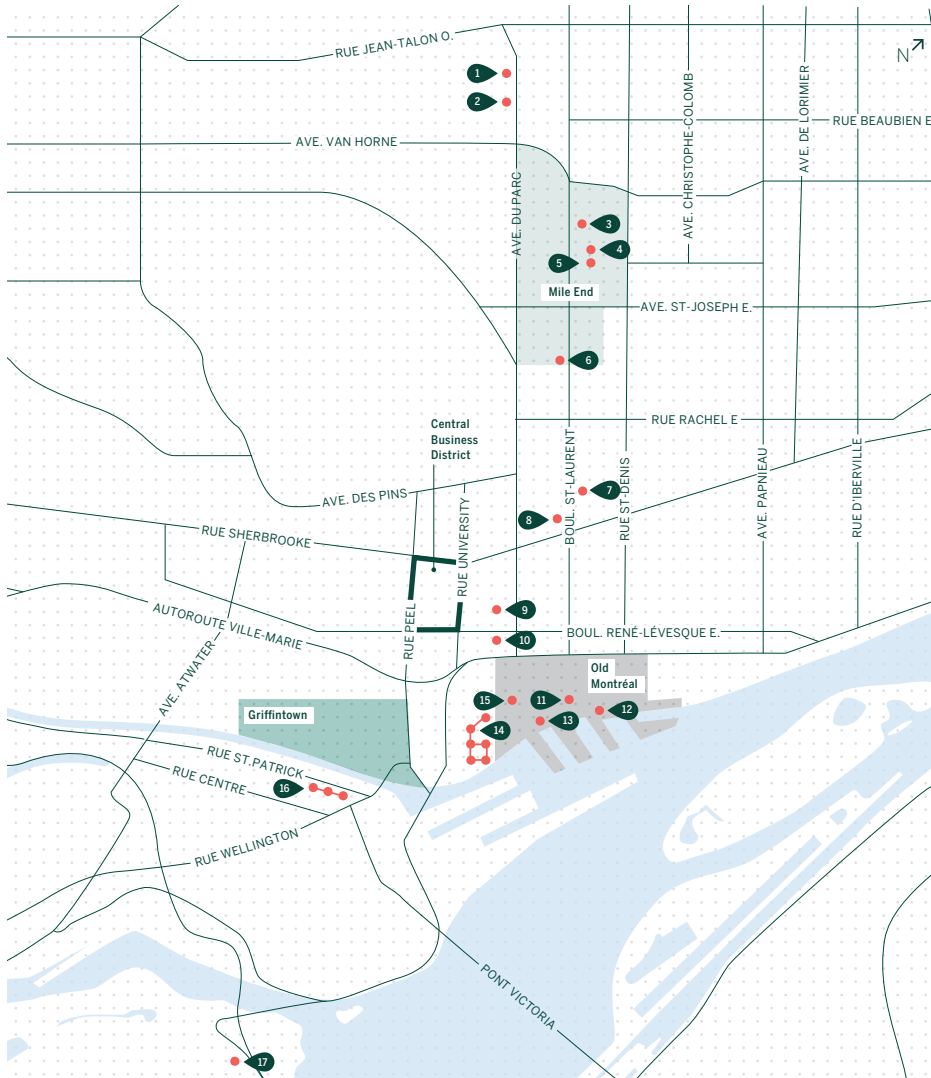




KING & SPADINA

Toronto

- | | |
|---------------------|--------------------------|
| 1. 141 Bathurst | 21. 552-560 King W |
| 2. 159-161 Bathurst | 22. 539 King W |
| 3. 183 Bathurst | 23. 544 King W |
| 4. 241 Spadina | 24. 555 Richmond W |
| 5. 379 Adelaide W | 25. 579 Richmond W |
| 6. 383 Adelaide W | 26. 589-591 Richmond W |
| 7. 420 Wellington W | 27. 662 King W |
| 8. 425 Adelaide W | 28. 80-82 Spadina |
| 9. 425-439 King W | 29. 96 Spadina |
| 10. 441-443 King W | 30. The Well |
| 11. 445-455 King W | 31. King Portland Centre |
| 12. 460 King W | 32. 387-391 Adelaide |
| 13. 464-468 King W | 33. 461 King Street W |
| 14. 469 King W | 34. 485 King |
| 15. 478 King W | 35. 642 King W |
| 16. 489 King W | |
| 17. 495 King W | |
| 18. 499 King W | |
| 19. 500-522 King W | |
| 20. 511-529 King W | |



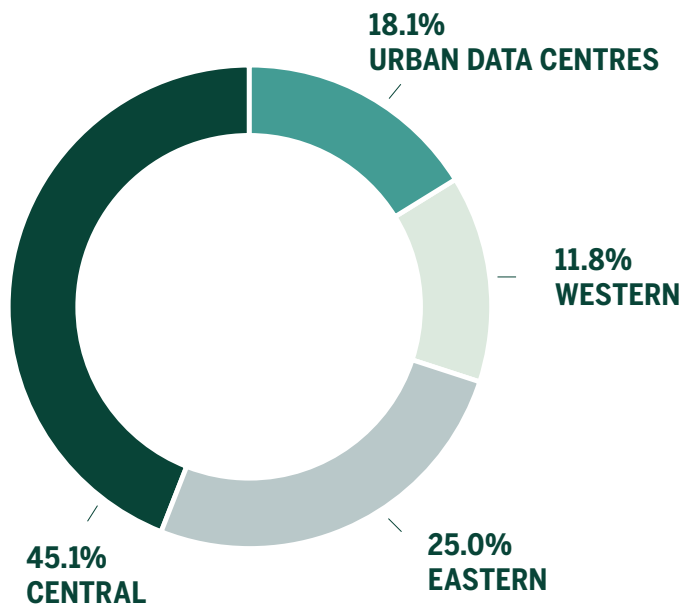
MONTRÉAL PORTFOLIO

1. 400 Ave. Atlantic
2. 6300 Ave. Du Parc
3. 5505 Boul. St-Laurent
4. 5455 Ave. De Gaspé
5. 5445 Ave. De Gaspé
6. 4446 Boul St-Laurent
7. 3575 Boul. St-Laurent
8. 3510 Boul. St-Laurent
9. 451-481 Rue Ste-Catherine
10. 425 Ave. Viger W
11. 480 Boul. St-Laurent
12. 85 Saint-Paul Rue W
13. 740 Rue St-Maurice
14. Cité Multimédia
15. 645 Rue Wellington
16. Le Nordelec
17. 8 Place Du Commerce

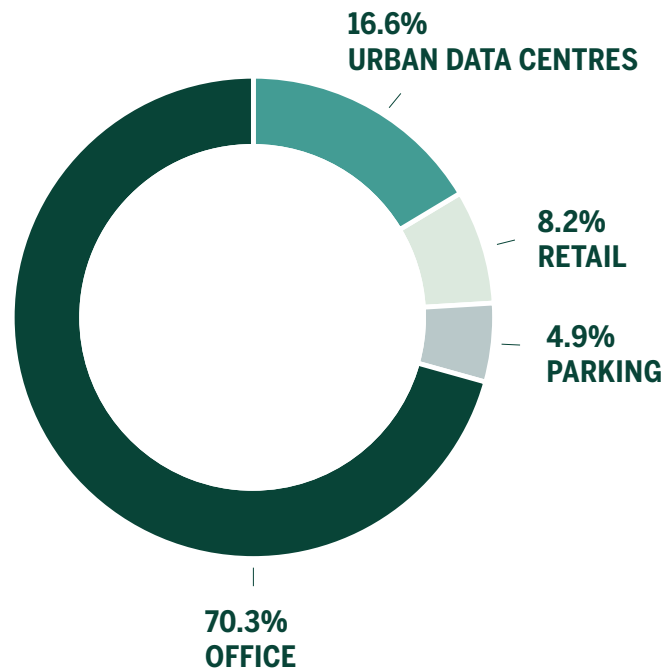
TOP-TEN OFFICE RENTAL PROPERTIES

PROPERTY NAME	NORMALIZED LQA NOI	APPRAISED FAIR VALUE	CAP RATE	PRINCIPAL TENANTS
CITÉ MULTIMÉDIA, MONTRÉAL	\$21,925	\$369,050	5.25%	Desjardins, Morgan Stanley, SAP Canada
QRC WEST, TORONTO	11,776	247,520	4.25%	eOne, Sapient Canada
LE NORDELEC, MONTRÉAL	10,237	191,070	6.00%	Babel Games, Gsoft, Yellow Pages Media
5455 DE GASPÉ, MONTRÉAL	7,603	119,420	5.75%	Attraction Media, Framestore, Ubisoft
555 RICHMOND WEST, TORONTO	7,153	133,180	4.75%	Good Life, Sentinelle, Synaptive
THE CHAMBERS, OTTAWA	6,070	140,480	-	National Capital Commission
VINTAGE I & II, CALGARY	5,527	87,610	5.25%	Royal & Sun Alliance
THE TANNERY, KITCHENER	5,435	83,370	6.00%	Communtech Corp., Desire 2 Learn
5445 DE GASPÉ, MONTRÉAL	5,082	79,620	6.00%	Sun Life Assurance Company of Canada, Ubisoft
BOARDWALK REVILLON, EDMONTON	4,880	74,020	6.25%	Edmonton Public School Board, Legal Aid
TOTAL	\$85,688	\$1,525,340	5.31%	

NOI BY SEGMENT

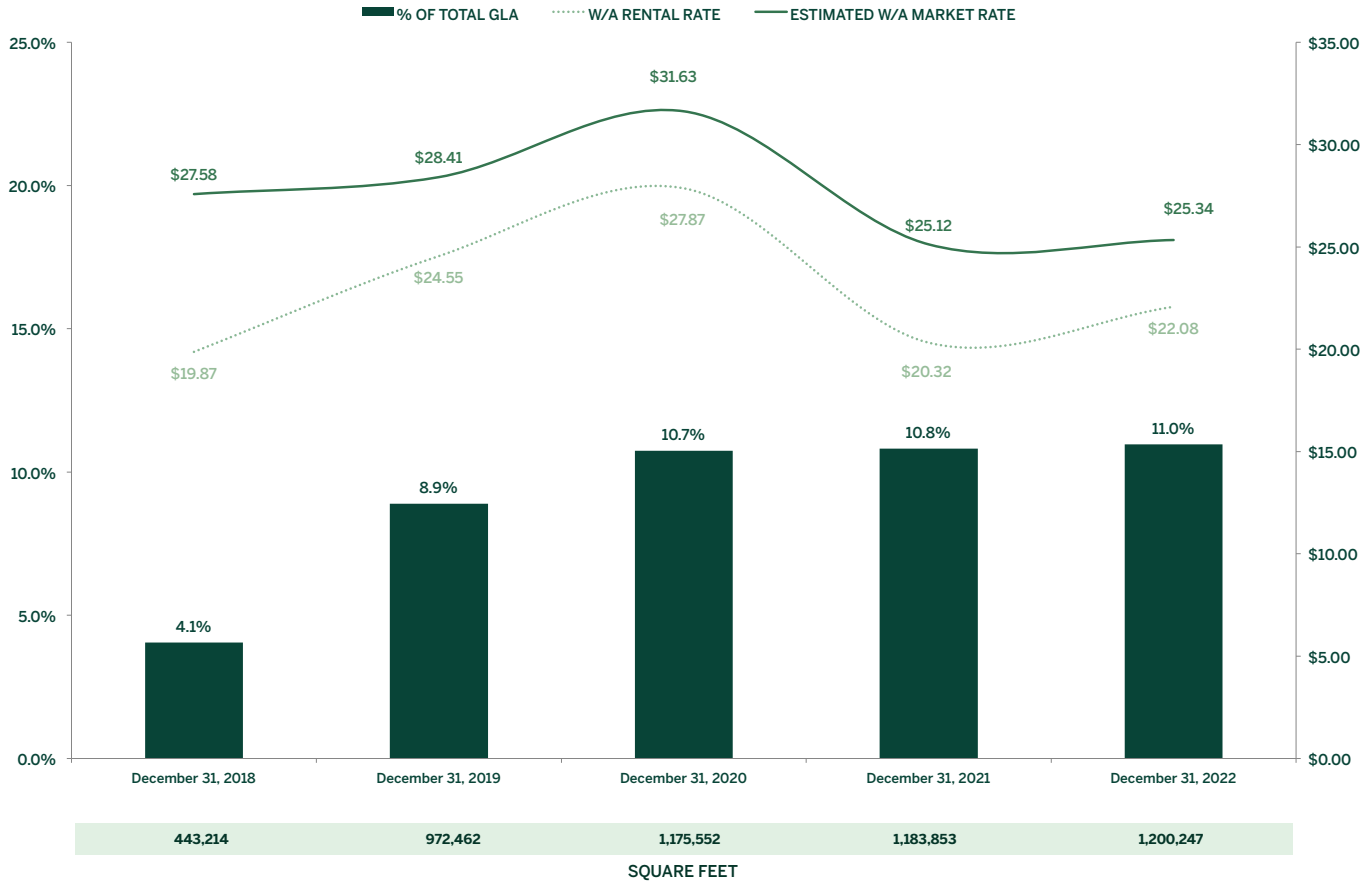


NOI BY USE



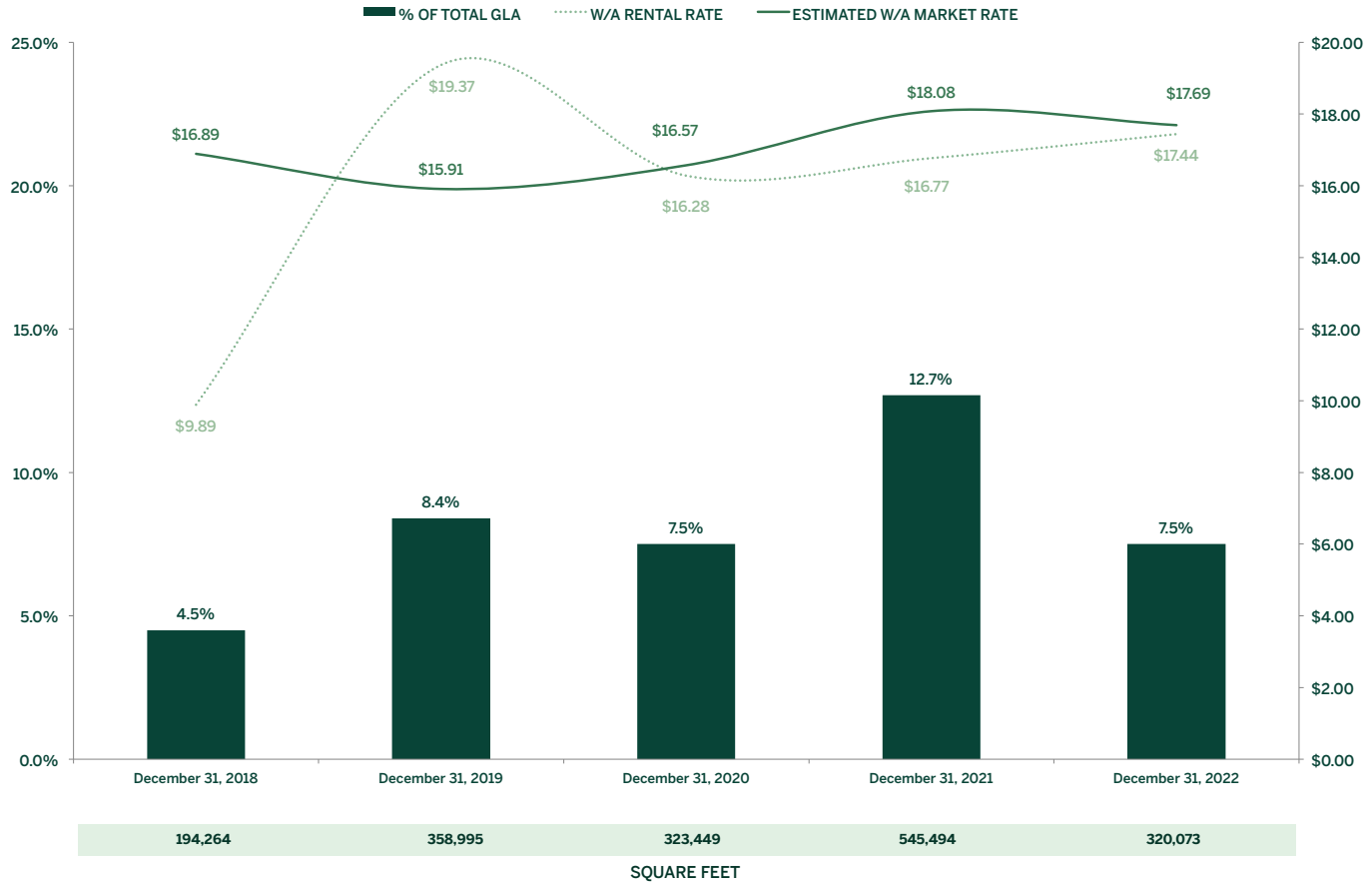
For the period ending June 30, 2018.
See definition appendix for definition of NOI.

LEASE MATURITIES



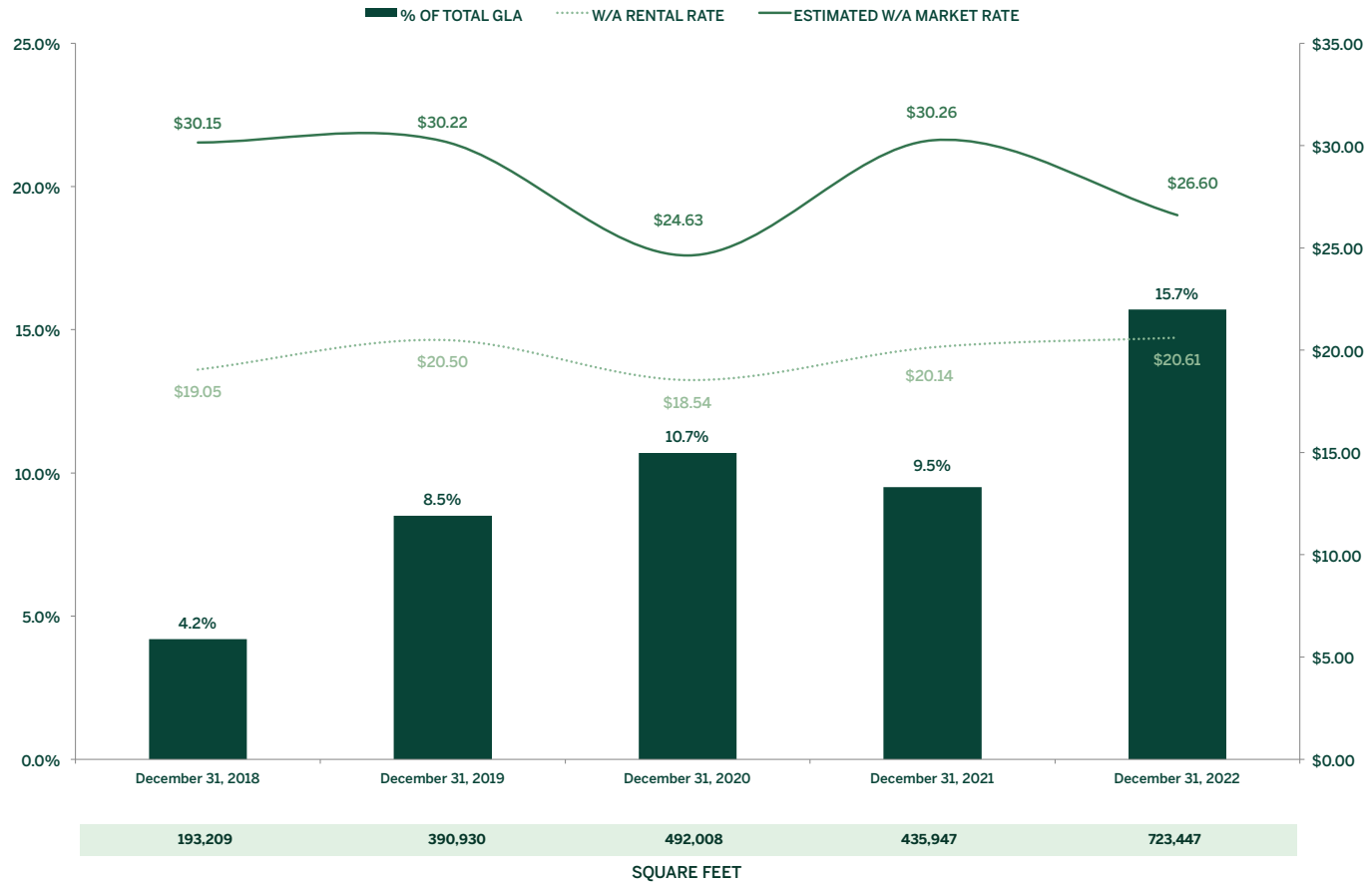
As of June 30, 2018.
This slide contains forward looking information.

LEASE MATURITIES - EASTERN CANADA



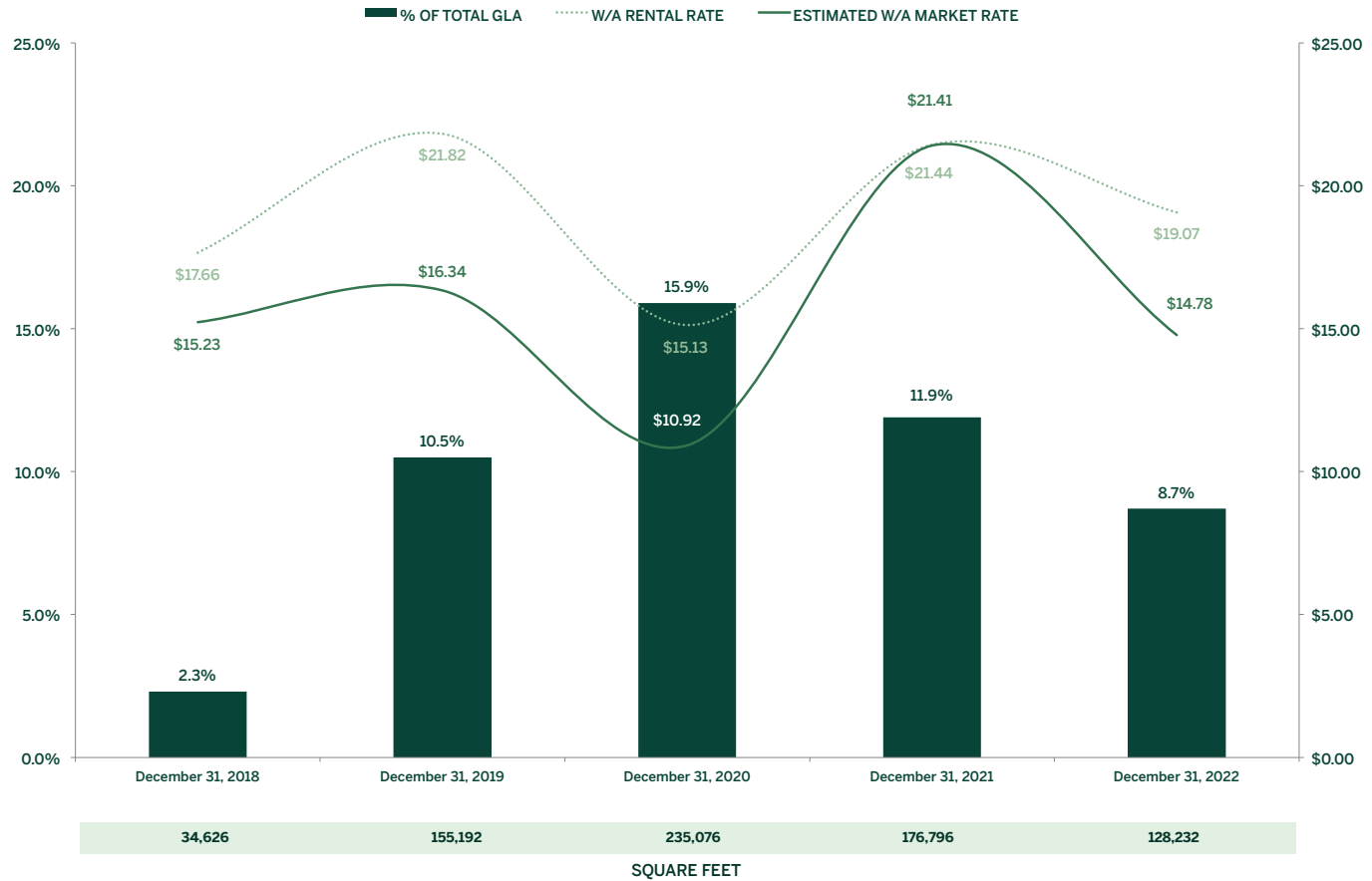
As of June 30, 2018.
This slide contains forward looking information.

LEASE MATURITIES - CENTRAL CANADA



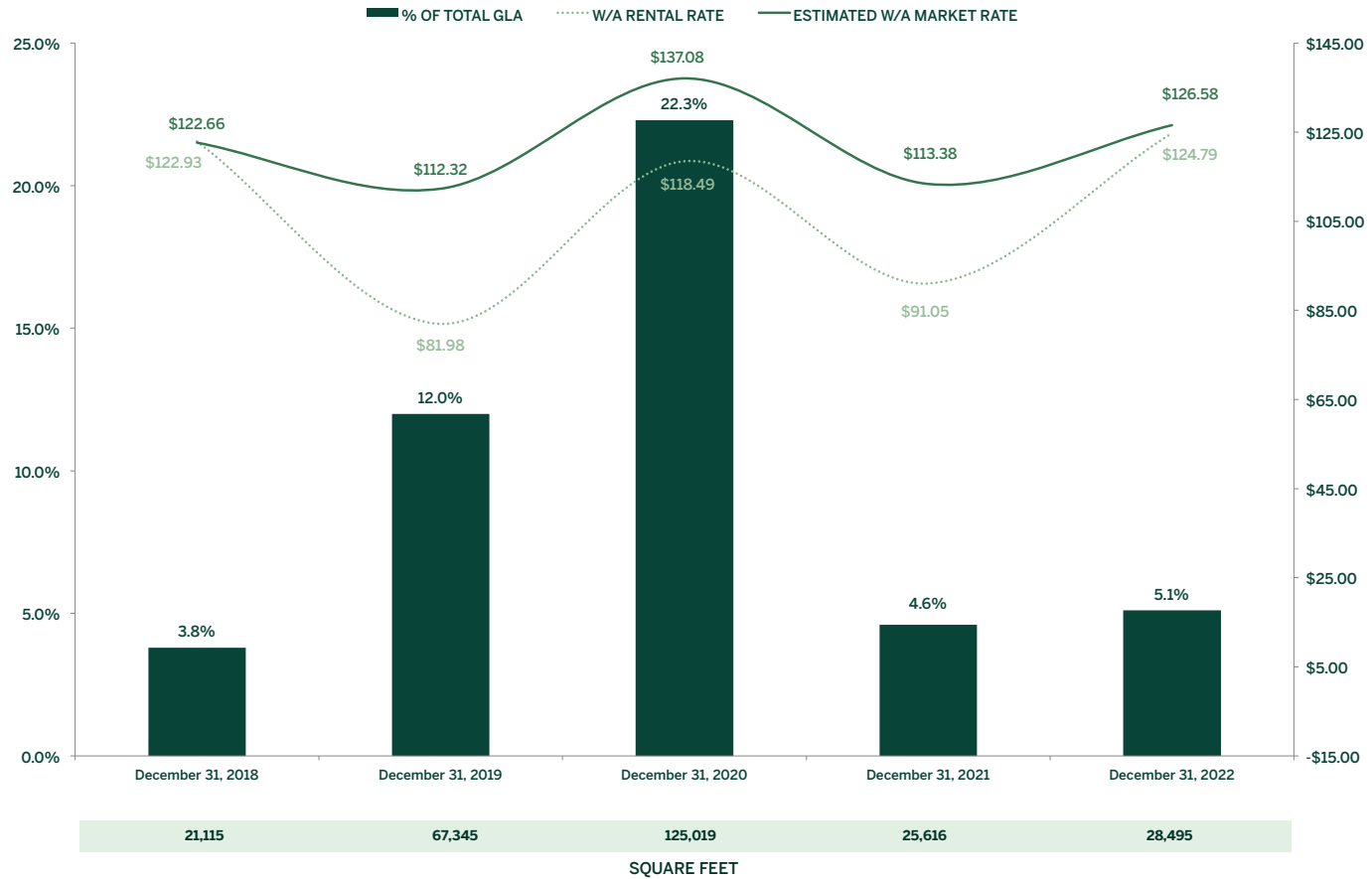
As of June 30, 2018.
This slide contains forward looking information.

LEASE MATURITIES - WESTERN CANADA



As of June 30, 2018.
This slide contains forward looking information.

LEASE MATURITIES - URBAN DATA CENTRES



As of June 30, 2018.
This slide contains forward looking information.

TOP-TEN TENANTS

TENANT	SECTOR	% RENTAL REVENUE (Q2 2018)
CLOUD SERVICE PROVIDER	Data Centre/IT	3.6%
UBISOFT	Gaming/IT	2.9%
EQUINIX	Data Centre/IT	2.7%
COLOGIX	Data Centre/ IT	2.4%
NATIONAL CAPITAL COMMISSION, A CANADIAN CROWN CORPORATION	Government	1.5%
MORGAN STANLEY	Financial	1.4%
COGECO DATA SERVICES INC.	Telecommunications	1.3%
ALLSTREAM	Telecommunications	1.3%
ENTERTAINMENT ONE	Media/Entertainment	1.3%
BELL CANADA	Telecommunications	1.2%
		19.6%

49%

2003

19.6%

Q2 2018



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Development Portfolio

DEVELOPMENT PIPELINE

2019

	ESTIMATED	
	GLA	NOI
TELUS SKY*	218,000	\$8.0M
KING-PORTLAND CENTRE*	136,320	\$4.7M
	354,320	\$12.7M

2021

	ESTIMATED	
	GLA	NOI
THE WELL*	746,000	\$40.1M

Unscheduled

	ESTIMATED GLA
UNION CENTRE	1,129,000
KING & PETER	790,000
ADELAIDE & SPADINA	350,554
LE NORDELEC	250,000
QRC WEST, PHASE II	90,000
	2,609,554

2020

	ESTIMATED	
	GLA	NOI
ADELAIDE & DUNCAN*	228,000	\$9.9M
425 VIGER	300,000	\$6.5M
THE LOUGHEED	92,600	TBD
	620,600	\$16.4M+

2022

	ESTIMATED GLA
KING & SPADINA	650,000
KING & BRANT	130,000
	780,000

*Co-ownership

Estimated NOI is based on stabilized occupancy.



TELUS Sky

Calgary



King Portland Centre

Toronto

RESTAURANT



THOMSON REUTERS

Adelaide & Duncan
Toronto

THOMSON REUTERS



The Well
Toronto



King & Spadina

Toronto



400 West Georgia

Vancouver

An architectural rendering of a modern multi-story building at dusk. The building features a mix of brickwork and large windows, some of which are illuminated from within. The ground floor has arched windows. A glass-enclosed structure is visible on the right side of the building. The scene includes trees, a street with blurred cars, and people walking, suggesting a vibrant urban environment.

425 Viger

Montréal



King & Brant
Toronto



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Development Completions

QRC WEST, TORONTO

This was a pioneering, large-scale intensification project that involved the integration of two restored heritage buildings with a new, mid-rise office structure. The project commenced in 2010 and was completed in 2015. It is comprised of 346,214 square feet of GLA and is fully leased.

DEVELOPMENT ECONOMICS	INVESTMENT					
LAND COSTS	\$11,000					
HARD & SOFT COSTS	104,000					
CAPITALIZED INTEREST & OPERATING COSTS	15,000	STABILIZED NOI	UNLEVERED YIELD ON COST	FAIR VALUE	VALUE CREATION	VALUE CREATION AS % OF COST
TOTAL DEVELOPMENT COSTS	\$130,000	\$11,700	9.0%	\$247,520	\$117,520	90.4%

The fair value is provided by our external appraiser, which is calculated based on the discounted cash flow model.

THE BREITHAUPT BLOCK, KITCHENER

Allied acquired an undivided 50% interest in the property in 2010 and immediately put it into development, completing the first phase in 2014 and the second phase in mid-2016. The property is an equal two-way joint arrangement between Allied and Perimeter Development Corporation. It is comprised of 226,810 square feet of GLA (Allied's share 113,405 square feet) and is fully leased.

DEVELOPMENT ECONOMICS	INVESTMENT					
LAND COSTS	\$4,000					
HARD & SOFT COSTS	18,470					
CAPITALIZED INTEREST & OPERATING COSTS	2,550	STABILIZED NOI	UNLEVERED YIELD ON COST	FAIR VALUE	VALUE CREATION	VALUE CREATION AS % OF COST
TOTAL DEVELOPMENT COSTS	\$25,020	\$1,950	7.8%	\$43,980	\$18,960	75.8%

The fair value is provided by our external appraiser, which is calculated based on the discounted cash flow model.

180 JOHN STREET, TORONTO

Allied acquired the property in 2015. The property was redeveloped and leased in its entirety to Regus. The project was completed in 2017. It is comprised of 45,631 square feet of GLA and is fully leased.

DEVELOPMENT ECONOMICS	INVESTMENT					
LAND COSTS	\$8,700					
HARD & SOFT COSTS	17,500					
CAPITALIZED INTEREST & OPERATING COSTS	1,300	STABILIZED NOI	UNLEVERED YIELD ON COST	FAIR VALUE	VALUE CREATION	VALUE CREATION AS % OF COST
TOTAL DEVELOPMENT COSTS	\$27,500	\$1,600	5.8%	\$29,690	\$2,190	8.0%

The fair value is provided by our external appraiser, which is calculated based on the discounted cash flow model.

189 JOSEPH, KITCHENER

189 Joseph was purchased as part of The Tannery in 2012. The building stood vacant, and was slated to be demolished before Allied proposed the redevelopment and secured Deloitte as the tenant. The project commenced in late-2015 and was completed mid-2017. It is comprised of 26,373 square feet of GLA and is fully leased.

DEVELOPMENT ECONOMICS	INVESTMENT					
LAND COSTS	\$230					
HARD & SOFT COSTS	10,890					
CAPITALIZED INTEREST & OPERATING COSTS	240	STABILIZED NOI	UNLEVERED YIELD ON COST	FAIR VALUE	VALUE CREATION	VALUE CREATION AS % OF COST
TOTAL DEVELOPMENT COSTS	\$11,360	\$720	6.3%	\$13,070	\$1,710	15.1%

The fair value is provided by our external appraiser, which is calculated based on the discounted cash flow model.



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Risk Management

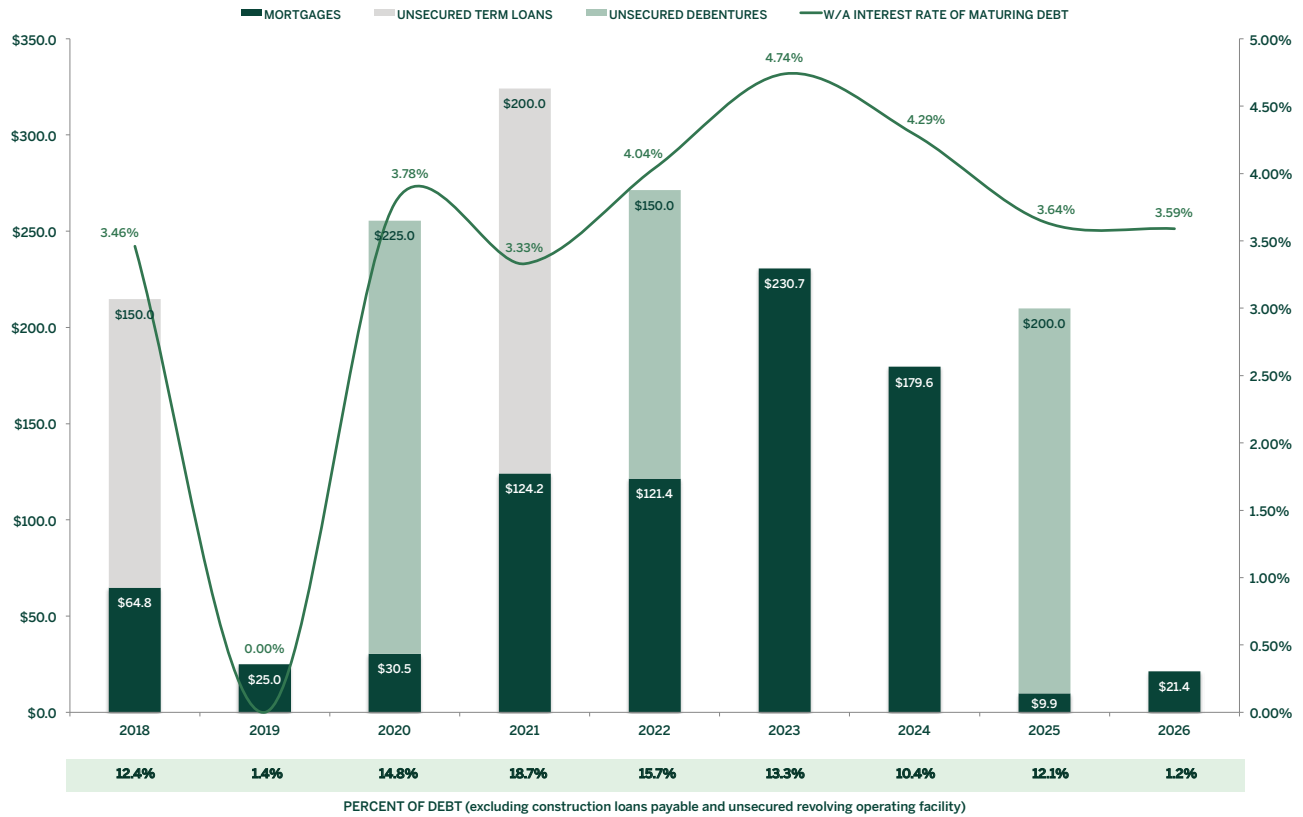
DEVELOPMENT

- **15% constitutional limitation on development**
- **Pre-leasing requirement**
- **Partial monetization**
- **Financial management**
- **Joint venture relationships**

BALANCE SHEET

- **Low leverage**
- **Long-term, fixed-rate debt**
- **Debt ratio 29.9%**
- **Interest coverage ratio at 2.9x**
- **Debt to EBITDA ratio 6.9x**

DEBT MATURITY CHART



This chart summarizes the principal payments in regards to Allied's various obligations as at June 30, 2018.

UNENCUMBERED ASSETS



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Corporate Social Responsibility

CORPORATE SOCIAL RESPONSIBILITY

“The cities we build have to be sustainable and conducive to human wellness, diversity and creativity. Put differently, they have to elevate and inspire the humanity in all of us.” - MICHAEL EMORY

CURRENT Sustainability + Occupant Engagement Program

2018 Benchmarking of Portfolio-wide Energy & Water Usage

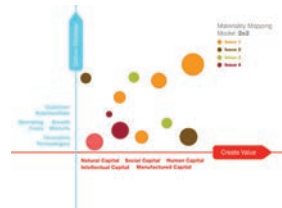
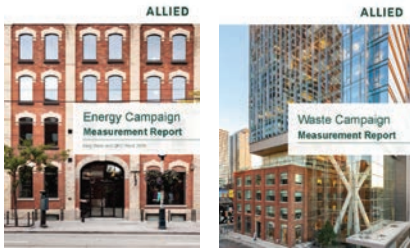
2020 CSR Report + GRESB Reporting + Aligning with ESG Indices



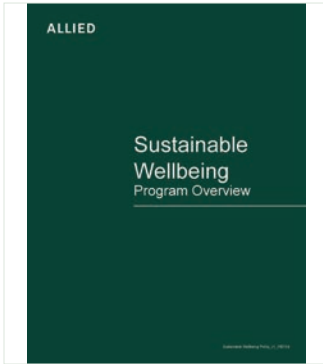
Waste to be added in 2019



2019 Materiality Assessment, Sustainability on Website + Investment in ECMs



CORPORATE SOCIAL RESPONSIBILITY



Sustainable Wellbeing Policy

Allied's Sustainable Wellbeing (SWB) Program works to fulfill **Four Commitments** that align with four distinct pillars or performance standards. These pillars and associated commitments are as follows:

- ENVIRONMENT • Be Planet Focused**
Design, construct, operate and manage to the highest standards of environmental stewardship.
- HEALTH & WELLBEING • Create Great Places and Spaces**
Create places and spaces that are comfortable, desirable and contribute to human health and the human experience.
- COMMUNICATION & ENGAGEMENT • Enable a Culture of Connectedness and Community**
Provide a shared ecosystem of tools, services and processes that work to connect the community.
- DESIGN • Shape with an Emphasis on Quality and Resiliency**
Invest with a focus on long term benefits for shareholders, occupants, and the community.

The **SWB Program** contains specific objectives that work to achieve the **Four Commitments** in the following key areas of Allied's business operations:

- Development
- Leasing
- Building Operations
- Occupancy
- Organizational Governance

The **SWB Program** outlines initiatives to be undertaken within each of the above noted areas of business operations. Initiatives that work to fulfill SWB objectives are defined within the following categories:

- Project Management
- Measurement & Verification
- Reporting & Certification
- Energy & Emissions
- Water
- Waste
- Air Quality
- Electronic Conservation
- Wellness
- Active Design
- Social Responsibility
- Engagement
- Communications
- Education
- Post-Occupancy
- Marketing & PR
- Leasing
- Health & Safety

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Wellness among the initiatives that support the business's well-being.

Wellness is a key focus of the SWB Program, as it is an important component of the overall mission. The program aims to create a healthy and vibrant workplace environment that supports the well-being of all employees.

Wellness Initiatives

- Wellness programs and initiatives that support the business's well-being.
- Wellness programs and initiatives that support the business's well-being.
- Wellness programs and initiatives that support the business's well-being.

Wellness Initiatives

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Energy Campaign Measurement Report

July 2018 and Q1C West 2019

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Energy Campaign

Energy Campaign Measurement Report

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Initiatives & Results

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Landlord Initiatives

Landlord Initiatives

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Health & Wellness

Health & Wellness

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Occupant Experiences

Occupant Experiences

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Occupant Behaviors

Occupant Behaviors

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Appendix Definitions

CERTAIN DEFINITIONS AND NON-IFRS MEASURES

Certain defined terms used in this investor presentation have the following meaning:

“EBITDA”

EBITDA is a non-IFRS financial measure and should not be considered as an alternative to net income or net income and comprehensive income, cash flow from operating activities or any other measure prescribed under IFRS. EBITDA does not have any standardized meaning prescribed by IFRS. As computed by us, EBITDA may differ from similar computations reported by other Canadian real estate investment trusts and, accordingly, may not be comparable to similar computations reported by such organizations. Management considers EBITDA to be a useful measure for the purpose of evaluating debt levels and interest coverage. For a full explanation of EBITDA and a reconciliation to IFRS please see Allied REIT Q2 2018 MD&A “Other Financial Performance Measures”.

“INTEREST”

Interest is defined as interest expense and other financing costs including capitalized interest.

“NOI”

NOI is a non-IFRS financial measure and should not be considered as an alternative to net income or net income and comprehensive income, cash flow from operating activities or any other measure prescribed under IFRS. NOI does not have any standardized meaning prescribed by IFRS. As computed by us, NOI may differ from similar computations reported by other Canadian real estate investment trusts and, accordingly, may not be comparable to similar computations reported by such organizations. Management considers NOI to be a useful measure of performance for rental properties. For a full explanation of NOI and a reconciliation to IFRS please see Allied REIT Q2 2018 MD&A “Net Operating Income (“NOI”).

“TOTAL DEBT”

Total debt is a non-IFRS financial measure and does not have any standard meaning prescribed by IFRS. As computed by us, total debt may differ from similar computations reported by other Canadian real estate investment trusts and, accordingly, may not be comparable to similar computations Reported by such organizations. Management considers total debt to be a useful measure for evaluating debt levels and interest coverage. For a full explanation of total debt and an illustration of the calculation of total debt, please see Allied REIT Q2 2018 MD&A “debt”.

“TOTAL RETURN”

Total return is based on \$100 in units invested on February 6th, 2003 and ending on August 1, 2018, assuming the re-investment of all cash distributions of the trust on the day of the distribution.

ALLIED PROPERTIES REIT

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