

ALLIED

Annual Information Form

For the Year Ended December 31, 2022

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Glossary

As used in this Annual Information Form, the following acronyms and terms have the respective meanings set out below:

“Adjusted Unitholders’ Equity” means, at any time, the aggregate of the amount of Unitholders’ equity and the amount of accumulated depreciation and amortization recorded in the books and records of Allied in respect of its properties calculated in accordance with IFRS.

“Allied” means Allied Properties Real Estate Investment Trust and, if applicable, includes any subsidiaries of Allied.

“Basic Basis” means, at any time, the number of Units outstanding at such time, excluding, for greater certainty, Units issuable upon the surrender or exchange of Exchangeable Securities or Trust Exchangeable Securities.

“Choice Properties” means Choice Properties Real Estate Investment Trust and, if applicable, includes any subsidiaries of Choice Properties.

“Declaration of Trust” means the trust declaration dated October 25, 2002, and amended and restated on February 6, 2003, May 14, 2008, May 11, 2010, May 15, 2012, May 14, 2013, May 14, 2015, May 12, 2016, April 14, 2020, May 10, 2021, March 4, 2022 and May 3, 2022, governed by the laws of the Province of Ontario, pursuant to which Allied was created, as the same may be further amended, supplemented or amended and restated from time to time.

“Distribution Date” means, in respect of a month, on or about the 15th day of the following month.

“Distribution Reinvestment Plan” or *“DRIP”* means the distribution reinvestment plan established by Allied.

“Exchangeable LP Unit” means a class B limited partnership unit of the Partnership.

“Exchangeable Securities” means any securities of any trust, limited partnership (including the Partnership) or corporation other than Allied that are convertible or exchangeable directly for Units without the payment of additional consideration therefore and, for greater certainty, includes the Exchangeable LP Units.

“*Fully-Diluted Basis*” means, at any time, the number of (i) Units outstanding at such time and (ii) Units issuable upon the surrender or exchange of Exchangeable Securities or Trust Exchangeable Securities at such time.

“*GLA*” or “*Gross Leasable Area*” in relation to a building means the area of the premises that are intended to be leased to tenants in such building, measured using accepted industry standards of measurement.

“*Gross Book Value*” means, at any time, the total assets of Allied shown on the then most recent interim balance sheet of Allied on a proportionate basis, as defined in the Non-IFRS Measures section.

“*IFRS*” means International Financial Reporting Standards issued by the International Accounting Standards Board, and as adopted by the Chartered Professional Accountants Canada, which are applicable as at the date on which any calculation hereunder is to be effective.

“*Independent Trustee*” means a Trustee who is “independent” as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

“*IPO*” means the initial public offering of Allied completed on February 20, 2003.

“*Net Asset Value per Unit*” or “*NAV per Unit*” means, at any time, the total Unitholders’ equity as at the corresponding period ended (per the consolidated balance sheets) divided by the actual number of Units and Exchangeable LP Units outstanding at period end.

“*Partnership*” means Allied Properties Exchangeable Limited Partnership.

“*Person*” shall include any individual, firm, partnership, association, trust, trustee, executor, administrator, legal personal representative, body corporate, corporation, unincorporated organization, syndicate, governmental entity or other entity.

“*Portfolio Purchase Agreement*” means the agreement of purchase and sale between CPH Master Limited Partnership (a subsidiary of Choice Properties) and Allied Properties Exchangeable Limited Partnership dated March 7, 2022, as amended on March 31, 2022, pursuant to which Allied acquired a portfolio of six properties on March 31, 2022.

“*Properties*” means, collectively, all properties owned by Allied as at the date hereof and “*Property*” means any one of them.

“*PUD*” means a property under development, as designated by Allied.

“*Related Party*” means any person who is: (a) a Trustee or an affiliate of a Trustee; (b) a promoter of Allied or any affiliate of a promoter of Allied; (c) a substantial security holder of Allied or a promoter of Allied, or any affiliate of such substantial security holder; and (d) an officer, director or employee of Allied or of a promoter of Allied, or of any affiliate of Allied or promoter of Allied.

“*Rights Plan*” means the Unitholders’ rights protection plan established by Allied, as amended, supplemented and/or restated from time to time.

“*Special Voting Unit*” means a special voting unit of Allied that is authorized and issued to a holder of an Exchangeable LP Unit.

“*Tax Act*” means the *Income Tax Act* (Canada), as amended.

“*TSX*” means the Toronto Stock Exchange.

“*Trust Exchangeable Securities*” means rights (including, for greater certainty, the creation and issuance of rights pursuant to the Rights Plan), warrants or options or other instruments or securities authorized and issued by Allied and for the time being outstanding, including securities exercisable, convertible or exchangeable for Units, to subscribe for fully paid Units.

“*Trust Indenture*” means the trust indenture between Allied and the Computershare Trust Company of Canada dated as of May 13, 2015, as supplemented from time to time, which provides for, among other things, the creation and issue of the Unsecured Debentures.

“*Trust Unitholder*” means a person whose name appears on the register as a holder of one or more Units or Special Voting Units, or a fraction thereof.

“*Trust Units*” means, collectively, the Units and the Special Voting Units.

“*Trustees*” means the trustees of Allied from time to time.

“*Unitholder*” means a holder of a Unit.

“*Unit*” means a unit of interest in Allied authorized and issued under the Declaration of Trust as such and includes a fraction of a unit of Allied but, for greater certainty, excludes a Special Voting Unit.

Non-IFRS Measures

Readers are cautioned that certain terms used in the Annual Information Form 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 and, therefore, should not be construed as alternatives to net income, cash flow from operating activities, or any other measure prescribed under IFRS. These terms are defined in the following table. The following terms do not have a standardized meaning prescribed by IFRS and may not be comparable to similarly titled measures presented by other publicly traded entities. Where it is not explicitly stated, the measures include the results of both continuing and discontinued operations.

NON-IFRS MEASURE

DEFINITION

Adjusted Unitholders' Equity	Adjusted Unitholders' Equity is a non-IFRS financial measure that starts with Unitholders' equity and adds accumulated depreciation and amortization calculated in accordance with IFRS. The most directly comparable IFRS measure to Adjusted Unitholders' Equity is Unitholders' Equity. Management believes this is a useful measure in evaluating cumulative growth and operating performance.
Allied's proportionate share or proportionate basis	All references to "proportionate share" or "proportionate basis" refer to a non-IFRS financial measure representing Allied's proportionate share of equity accounted investments. Allied applies the equity method of accounting to its joint venture, TELUS Sky, as prescribed under IFRS. Management presents the proportionate share of its interests in joint arrangements that are accounted for using the equity method as it is viewed as relevant in demonstrating Allied's performance and is the basis of many of Allied's key performance measures.
Funds from Operations ("FFO")	FFO is a non-IFRS financial measure used by most Canadian real estate investment trusts based on a standardized definition established by REALPAC in its January 2022 White Paper ("White Paper"). FFO is defined as net income and comprehensive income from continuing operations less certain adjustments, on a proportionate basis, including fair value changes in investment properties, investment properties held for sale and derivative instruments, impairment, incremental leasing costs, net income and comprehensive income from discontinued operations, amortization of improvement allowances and amortization of property, plant and equipment which relates to owner-occupied property. The most directly comparable IFRS measure to FFO is net income and comprehensive income from continuing operations. Management believes FFO is a key measure of operating performance.
Adjusted Funds from Operations ("AFFO") and AFFO excluding condominium related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation	<p>AFFO is a non-IFRS financial measure used by most Canadian real estate investment trusts based on a standardized definition established by REALPAC in the White Paper. AFFO is defined as FFO less amortization of straight-line rents, regular leasing expenditures, regular and recoverable maintenance capital expenditures, and incremental leasing costs (related to regular leasing expenditures). The most directly comparable IFRS measure to AFFO is net income and comprehensive income from continuing operations. 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.</p> <p>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. The most directly comparable IFRS measure to AFFO excluding condominium related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation is net income and comprehensive income from continuing operations. 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.</p>
Net Rental Income ("NRI")	NRI is a non-IFRS financial measure defined as rental revenue from continuing operations less property operating costs from continuing operations on a proportionate basis. It excludes condominium revenue and condominium cost of sales. The most directly comparable IFRS measure is operating income. Management considers NRI to be a useful measure of the operating performance of its rental properties portfolio.
Gross Book Value ("GBV")	GBV is a non-IFRS measure defined as the total assets of Allied on a proportionate basis. The most directly comparable IFRS 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.

NON-IFRS MEASURE

DEFINITION

Net Operating Income ("NOI") from continuing operations

NOI from continuing operations is a non-IFRS 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 from continuing operations on a proportionate basis. The most directly comparable IFRS measure to NOI from continuing operations is Operating Income. Management believes this is a useful measure as it demonstrates the cash generating operating performance of its income producing properties.

NOI from discontinued operations

NOI from discontinued operations is a non-IFRS financial measure defined as rental revenue from discontinued operations less property operating costs from discontinued operations on a proportionate basis, excluding the impact of non-cash items such as amortization of improvement allowances and the amortization of straight-line rents from discontinued operations on a proportionate basis. The most directly comparable IFRS measure to NOI from discontinued operations is Operating Income. Management believes this is a useful measure as it demonstrates the performance of its discontinued segment.

Total NOI

Total NOI is a non-IFRS financial measure defined as the sum of NOI from continuing operations and NOI from discontinued operations. The most directly comparable IFRS measure to Total NOI is Operating Income. Management believes this is a useful measure as it demonstrates the cash generating operating performance of all its properties.

Same Asset NOI

Same asset NOI is a non-IFRS measure defined as NOI for the properties that Allied owned and operated for the entire duration of both the current and comparative period on a proportionate basis. The most directly comparable IFRS 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.

Forward-Looking Statements

This Annual Information Form includes certain statements that are “forward-looking statements”. All statements, other than statements of historical fact, in this Annual Information Form that address activities, events or developments that Allied or a third party expects or anticipates will or may occur in the future, including Allied’s future growth, results of operations, performance and business prospects and opportunities, and the assumptions underlying any of the foregoing, are forward-looking statements. These forward-looking statements reflect Allied’s current beliefs and are based on information currently available to Allied and on assumptions Allied believes are reasonable. Actual results and developments may differ materially from results and developments discussed in the forward-looking statements as they are subject to a number of significant risks and uncertainties, including those discussed under “Risk Factors” and elsewhere in this Annual Information Form. Certain of these risk factors and uncertainties are beyond Allied’s control. Consequently, all of the forward-looking statements made in this Annual Information Form are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Allied. These forward-looking statements are made as of the date of this Annual Information Form and Allied assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise.

Business Overview and Strategy

Allied is a leading operator of distinctive urban workspace in Canada's major cities and network-dense urban data centres in Toronto. Allied's business is providing knowledge-based organizations with distinctive urban environments for creativity and connectivity.

DISTINCTIVE URBAN WORKSPACE

Allied was known initially for its leading role in the emergence of Class I workspace in Toronto, a format created through the adaptive re-use of light industrial structures in the Downtown East and Downtown West submarkets. This format typically features high ceilings, abundant natural light, exposed structural frames, interior brick and hardwood floors. When restored and retrofitted to high standards, Class I workspace can satisfy the needs of the most demanding office and retail users. When operated in a coordinated manner, this workspace becomes a vital part of the urban fabric and contributes meaningfully to a sense of community.

Allied went public in 2003 for the express purpose of consolidating Class I workspace that was centrally located, distinctive and cost-effective. The consolidation that ensued was continuous, enabling Allied to evolve into a leading owner operator of distinctive urban workspace in Canada's major cities.

URBAN DATA CENTRE ("UDC") SPACE

In addition to providing urban workspace, Allied provides network-dense UDC space in Downtown Toronto. Allied established this capability in 2009 through the acquisition of 151 Front W, the largest internet exchange point in Canada and the third largest in North America. Allied has since expanded this capability by retrofitting a portion of 905 King W and a portion of 250 Front W. Just as Allied's workspace does, this space provides knowledge-based businesses with distinctive urban environments for creativity and connectivity. Allied's deep expertise in adaptively re-using urban structures has contributed meaningfully to its success in operating network-dense data centre space in Downtown Toronto.

On January 16, 2023, Allied announced the completion of the initial phase of its exploration of the sale of its UDC portfolio, which consists of freehold interests in 151 Front W and 905 King W and a leasehold interest in 250 Front Street W (the “Portfolio”). The Portfolio is unencumbered and does not include 20 York Street, the site for Union Centre. The sale of the Portfolio will enable Allied to reaffirm its mission to serve knowledge-based organizations and to propel continued growth with low-cost capital over the next few years. The Portfolio was connected to Allied’s mission from the beginning, but it is not core to Allied’s mission in the way urban workspace is. If successful in selling the Portfolio, Allied expects to use a significant portion of the sale proceeds to retire debt and the balance to fund its current development activity.

WORKSPACE INNOVATION

Allied’s experience informed its approach to workspace innovation. Office users today value light, air and an open-plan. Abundant natural light and fresh air contribute enormously to human wellness and productivity. An open-plan improves collaboration and creativity. When people can move around and freely connect with one another, communication is improved, along with mutual understanding, and sparks of ingenuity occur.

Technology has contributed to workspace innovation. Light harvesting has made great strides, as has fresh air delivery. Raised-floor systems have made aesthetic and practical contributions in recent years. Aesthetically, they declutter the workspace and obviate the need for drop-ceilings. Practically, they improve air circulation by pressurizing the underfloor area and de-pressurizing the actual work environment. All this can be delivered to workspace users in an environmentally sustainable manner.

Workspace amenities have made an equivalent contribution to workspace innovation. While achievable to an extent within a single building, amenity-richness is best achieved within a surrounding urban neighbourhood. This in turn places a premium on clustering buildings within an amenity-rich urban neighbourhood. Clustering also allows Allied to accommodate needs for expansion and contraction within the neighbourhood.

Allied’s experience with Class I workspace also increased its sensitivity to design. When people migrated to the suburbs in the 1950s, the sensitivity to design in the inner-cities seemed to diminish, if not disappear altogether. Heritage properties were destroyed to make way for non-descript, inward-looking buildings, and synthetic materials seemed to cover everything everywhere. Fortunately, design now matters, and design now pays. The workspace Allied created at QRC West in Toronto is an excellent example. Allied’s architects came up with a creative and beautiful way to build a new office tower above two fully-restored heritage buildings. Although the design entailed additional cost, the ultimate economic and social return on the investment was exceptional. The design paid off in every conceivable way.

Finally, Allied’s experience with Class I workspace put it at the forefront of creating workspace for the knowledge-based economy. This led Allied to place ever-greater emphasis on the ongoing relationship between the user and provider of workspace. Put differently, it led Allied to understand the need for a partnership-like relationship between itself and workspace users.

FOCUS AND DEFINITION

From the outset, Allied adhered to a clear investment and operating focus. It focused initially on the Class I format and continues to do so on a large scale in major urban centres in Canada. More recently, Allied expanded its focus to include hybrid structures like QRC West and King Portland Centre in Toronto and 425 Viger in Montréal, where heritage buildings were integrated with new structures in a way that resonated meaningfully with the knowledge-based organizations Allied serves. Allied will continue to do so on a large scale in major urban centres in Canada.

As Allied's business grew and evolved, it was defined not by the specific workspace format Allied owns, operates and develops, but rather by the workspace users Allied serves. If a particular format enables Allied to serve knowledge-based organizations better and more profitably, Allied will invest in it. The Well in Toronto is a good example. The workspace component is a high-rise tower for the most part with no heritage element at all. However, because of its architecture, performance attributes and location within a vibrant and amenity-rich neighbourhood, it has attracted outstanding knowledge-based organizations.

When Allied's business is defined by the workspace users it serves, the actual format becomes less important and the specific building attributes and neighbourhood amenities take on paramount importance. Accordingly, if a conventional office tower can be transformed to provide the specific attributes and amenities favoured by knowledge-based organizations, it falls squarely within Allied's investment and operating focus. This expands Allied's opportunity-set materially.

VISION AND MISSION

Allied's vision statement is as follows: *To make a continuous contribution to cities and culture that elevates and inspires the humanity in all people.* In isolation, this could be seen as somewhat extravagant and nebulous, but it is fully grounded and informed by Allied's mission statement, which is as follows: *To provide knowledge-based organizations with distinctive urban workspace in a manner that is sustainable and conducive to human wellness, creativity, connectivity and diversity.* Like all such statements, Allied's vision and mission statements need elaboration.

From inception, Allied's approach to workspace was both humanistic and technical. Allied sees workspace from the vantage point of people who use it rather than people who invest in it. Allied sees workspace as optimal light and air, a flexible and open floorplan and a collaborative rather than feudal relationship between owner and user. Allied sees workspace as a product of aesthetic and technical design. Finally, Allied sees workspace as part of a large, amenity-rich, urban ecosystem rather than as an instance of the monumental isolation that characterizes so many conventional office towers.

Real estate is no longer a passive investment or a static tolling business. It is a profoundly human business that needs to keep pace with demographic and technological change, as well as the ongoing change in human attitudes and values. It needs to be run with future generations in mind. This means we have to run commercial real estate to save the global environment, not destroy it. It means we have to foster human wellness, not undermine it. It means we have to promote diversity, not impose uniformity. It means we have to facilitate creativity, not encourage conformity. Finally, it means we have to build and operate as city builders.

City builders see commercial real estate as an integral part of a much larger ecosystem of infrastructure, buildings and people. The ecosystem, of course, is the city. We can only build cities well if they endure, if they stand the test of time. This means cities have to be sustainable and conducive to human wellness, creativity, connectivity and diversity. Put differently, it means they have to elevate and inspire the humanity in all of us.

City building requires commitment, innovation and imagination, something Allied strives for on an ongoing basis. In an era of remarkable and continuous urban intensification, city building is essential to sustained profitability in real estate. Sporadic profitability is achievable without reference to the principles of city building. Merchant development of commoditized structures in a boom market illustrates this perfectly. Sustained profitability, on the other hand, requires adherence to the principles of city building. It follows that Allied's vision and mission statements are the aspirational context within which Allied pursues sustained profitability for the benefit of its Unitholders.

Environmental, Social and Governance (“ESG”)

Environmental, social and governance sensitivities are an integral part of Allied. They flow from its evolution as an organization focused on the provision of distinctive urban workspace and network-dense UDC space in Canada’s major cities.

Long before going public, Allied focused on the adaptive re-use of older structures built over a century ago for light-industrial purposes. The goal at the time was not to minimize the impact on the environment. Rather, it was to meet what was rightly perceived to be a growing need on the part of users of workspace for environments that would assist them in attracting, motivating and retaining knowledge workers. Nevertheless, by re-cycling buildings rather than re-building them, Allied minimized the impact on the environment. This evolved into greater sensitivity as to the environmental impact of its activity.

Again, long before its initial public offering (IPO), Allied concentrated its properties in specific urban areas. The goal at the time was not to make a social contribution. Rather, it was to meet what was rightly perceived to be the need on the part of users of workspace to grow in amenity-rich, mixed-use urban communities. Nevertheless, by aggregating buildings in this way, Allied became sensitized to the impact on the surrounding communities in which it operates. Allied began to see its buildings as part of a larger urban ecosystem and to acknowledge its responsibility to the surrounding community as a whole.

Finally, the launch of Allied’s IPO in 2003 increased its sensitivity to governance. The sensitivities at the time were predominantly financial and operational, but as Allied evolved and attracted Unitholders globally, the sensitivity to a broader conception of governance increased. Allied’s Board and Management began to see governance as something that could strengthen the business significantly.

ESG OVERSIGHT & REPORTING

Allied's Board and Management are committed to making its inherent approach to ESG more manifest, deliberate and measurable. They have always believed that submitting to informed scrutiny will make Allied a better business, and formally submitting to ESG scrutiny is no exception in this regard. The Trustees are responsible for the oversight of the ESG Strategy and ESG initiatives developed by Management. The Board's Governance, Compensation and Nomination Committee oversees and monitors Allied's ESG performance and reviews Allied's ESG Report, ESG Policy and other governance policies and practices annually. Allied established an Executive ESG Committee to assist Management and the Board in defining, designing, implementing, expanding and evaluating Allied's ESG Strategy and ESG initiatives. The Committee reports and makes recommendations to Management and the Board at least once annually.

On the recommendation of the Governance, Compensation and Nomination Committee, in 2021, the Board established four ESG Accountability Corporate Targets, the achievement of which the Governance, Compensation and Nomination Committee and the Board analyzed as part of its assessment of incentive bonus awards for the executive officers.

In June 2022, Allied published its third Annual ESG Report in accordance with the Global Reporting Initiative (GRI) 2021 Universal Standards, the Sustainability Accounting Standards Board (SASB) Real Estate Standard and for the first time, the United Nations Sustainable Development Goals (UN SDGs) and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

ESG HIGHLIGHTS

Outperformed 2024 Targets

In 2021, Allied exceeded its 2024 reduction targets for Energy Use Intensity (EUI), Greenhouse Gas Intensity (GHGI) and Water Use Intensity (WUI).

Reduced Energy Use by 15.4% & GHG Emissions by 12.4%

In 2021, Allied reduced its energy use and greenhouse gas emissions by 15.4% and 12.4%, respectively, compared to the 2019 baseline, surpassing its 2024 reduction targets.

Reduced Water Use by 43.3%

In 2021, Allied reduced its water use from 67L/ft² in 2019 to 38 L/ft². This represents a 43.3% reduction compared to the 2019 baseline and exceeds its 2024 target.

Improved our GRESB Score by Six Points

In its 2022 GRESB assessment, Allied scored 86/100 for its standing investments, a six-point improvement from 2021 and scored 82/100 for its development portfolio, a seven-point improvement from 2021.

Issued \$1.1 Billion of Green Bonds

In 2021, Allied announced its Green Financing Framework. In February 2021, Allied issued its first green bond for \$600 million and in August 2021, it issued its second green bond for \$500 million. In December 2021 and June 2022, Allied published Green Bond Reports on the full allocation of the respective net proceeds for its February 2021 and August 2021 green bond issuances.

Initiated Allied's Net Zero Carbon Plan

In early 2022, Allied committed to developing a Net Zero Carbon (NZC) Plan which will identify a clear pathway for Allied to reach net zero in alignment with the Science Based Targets Initiative's (SBTi) Corporate Net-Zero Standard v1.0.

Recognized as a Canadian "Best Employer"

Since 2020, Allied engaged Kincentric to conduct an annual third-party employee engagement survey. In 2020 and 2021, Allied was recognized by Kincentric as a "Best Employer".

Outperformed Peers in User Experience Assessment Ratings

In November 2022, Allied completed its third annual third-party User Experience Assessment Survey. Results demonstrated year over year improvements. 2022 scores exceeded the benchmark of the Kingsley Index in key areas.

Piloted HOME Initiative

In 2021, in partnership with WoodGreen Community Services, a local social service agency, Allied provided two families with housing and social supports.

Outlook ⁽¹⁾

Allied's internal forecast for 2023 calls for low-to-mid-single-digit percentage growth in each of same asset NOI, FFO per unit and AFFO per unit. Allied does not forecast NAV per unit growth in any given time period.

Allied continues to have deep confidence in, and commitment to, its strategy of consolidating and intensifying distinctive urban workspace in Canada's major cities. Allied firmly believes that its strategy is underpinned by the most important secular trends in Canadian and global real estate. Allied also firmly believes that it has the properties, the financial strength, the people and the platform necessary to execute its strategy for the ongoing benefit of its Unitholders and other constituents.

⁽¹⁾ This outlook section contains non-IFRS measures and forward-looking statements. Refer to the Non-IFRS Measures and Forward-Looking Statements sections.

Allied

Allied Properties Real Estate Investment Trust (“Allied”) is an unincorporated closed-end real estate investment trust created pursuant to the Declaration of Trust dated October 25, 2002, as amended and restated on February 6, 2003, May 14, 2008, May 11, 2010, May 15, 2012, May 14, 2013, May 14, 2015, May 12, 2016, April 14, 2020, May 10, 2021, March 4, 2022 and May 3, 2022. Allied is governed by the laws of the Province of Ontario. Although Allied qualifies as a “mutual fund trust” as defined by the Tax Act, Allied is not a “mutual fund” as defined by applicable securities legislation. The head office of Allied is located at 134 Peter Street, Suite 1700, Toronto, Ontario, M5V 2H2.

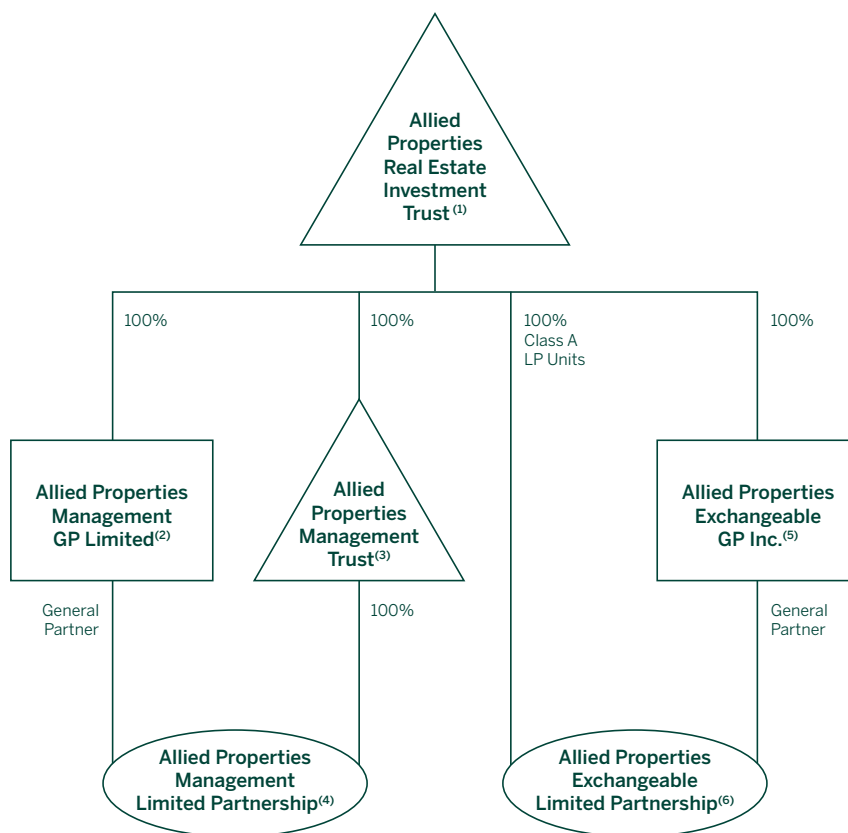
Allied is a leading operator of distinctive urban workspace in Canada’s major cities and network-dense urban data centres in Toronto. Allied’s business is providing knowledge-based organizations with distinctive urban environments for creativity and connectivity.

The objectives of Allied are: (i) to provide Unitholders with stable and growing cash distributions from investments in income-producing office properties in Canada; and (ii) to maximize Unit value through ongoing active management of Allied’s assets and the acquisition of additional office properties.

Through on-going active management and a comprehensive leasing strategy, Allied will strive to optimize the net operating income from its portfolio of properties.

As at December 31, 2022, Allied operated in seven urban markets – Montréal, Ottawa, Toronto, Kitchener, Calgary, Edmonton and Vancouver.

The following chart illustrates the organizational structure of Allied:



NOTES

- ⁽¹⁾ As at the date hereof, legal title to the Properties is held by 178 wholly-owned Subsidiaries of Allied and nine corporations that are jointly owned by Allied and one or more joint venture partners (collectively, the “*Nominee Corporations*”). The Nominee Corporations, 152 of which are incorporated under the laws of the Province of Ontario, 22 of which are incorporated under the laws of the Province of Québec, 12 of which are incorporated under the laws of the Province of British Columbia and one of which is incorporated under the laws of the Province of Alberta, act as nominee title holders of the Properties.
- ⁽²⁾ Allied Properties Management GP Limited, a corporation incorporated pursuant to the laws of the Province of Ontario, acts as the general partner of Allied Properties Management Limited Partnership.
- ⁽³⁾ Allied Properties Management Trust, a trust governed by the laws of the Province of Ontario, is the sole limited partner of Allied Properties Management Limited Partnership.
- ⁽⁴⁾ Allied Properties Management Limited Partnership, a limited partnership formed under the laws of the Province of Ontario, provides property management and related services on a fee-for-service basis.
- ⁽⁵⁾ Allied Properties Exchangeable GP Inc., a corporation incorporated pursuant to the laws of the Province of Ontario, acts as the general partner of Allied Properties Exchangeable Limited Partnership.
- ⁽⁶⁾ Allied Properties Exchangeable Limited Partnership (the “*Partnership*”), a limited partnership formed under the laws of the Province of Ontario, acquired a portfolio of six properties from Choice Properties Real Estate Investment Trust (“*Choice Properties*”) on March 31, 2022. The acquisition was satisfied in part by the issuance of 11,809,145 class B exchangeable limited partnership units of the Partnership (“*Exchangeable LP Units*”), representing 100% of the Exchangeable LP Units. Allied owns 100% of the class A limited partnership units of the Partnership.

Allied employed 386 employees as at December 31, 2022. A large percentage of Allied’s employees are involved in property management, accounting and leasing roles. Employees operate from Allied’s various management offices located in British Columbia, Alberta, Ontario and Québec, and through its head office in Toronto, Ontario.

Recent Developments

ACQUISITIONS

During 2022, Allied acquired the following properties from third parties:

PROPERTY	ACQUISITION DATE	ACQUISITION COST ⁽¹⁾	OFFICE GLA	RETAIL GLA	TOTAL GLA
108 East 5th Avenue, Vancouver ⁽²⁾⁽³⁾	February 23, 2022	\$39,549,000	N/A	N/A	N/A
1010 Sherbrooke W, Montréal ⁽⁴⁾	March 31, 2022	116,248,000	326,754	1,600	328,354
110 Yonge, Toronto ⁽³⁾⁽⁴⁾	March 31, 2022	55,757,000	78,100	2,376	80,476
525 University, Toronto ⁽⁴⁾	March 31, 2022	137,967,000	192,771	9,392	202,163
175 Bloor E, Toronto ⁽³⁾⁽⁴⁾	March 31, 2022	166,547,000	295,739	9,177	304,916
1508 West Broadway, Vancouver ⁽⁴⁾⁽⁵⁾	March 31, 2022	166,408,000	82,961	64,183	147,144
1185 West Georgia, Vancouver ⁽⁴⁾	March 31, 2022	131,671,000	160,364	4,869	165,233
540 King W, Toronto	April 8, 2022	26,615,000	—	5,935	5,935
121 John, Toronto	July 6, 2022	4,544,000	2,444	798	3,242
700 Saint-Hubert, Montréal ⁽²⁾	October 31, 2022	126,198,000	143,314	800	144,114
Total		\$971,504,000	1,282,447	99,130	1,381,577

(1) Purchase price plus transaction costs and the assumption of liabilities.

(2) This property is a property under development.

(3) Allied owns a 50% interest in these properties. The GLA is at Allied's ownership.

(4) On March 31, 2022, Allied acquired a portfolio of six properties from Choice Properties pursuant to an agreement of purchase and sale dated March 7, 2022, as amended on March 31, 2022 (together, the "Portfolio Purchase Agreement").

(5) Allied acquired a leasehold interest in 1508 West Broadway.

PORTFOLIO PURCHASE AGREEMENT

On March 31, 2022, Allied acquired a portfolio of six properties from Choice Properties pursuant to the Portfolio Purchase Agreement for a purchase price of \$794,000,000 (recorded at \$774,598,000 under IFRS including acquisition costs), which was satisfied in part by the issuance of 11,809,145 Exchangeable LP Units. The Exchangeable LP Units are exchangeable, at the holder's option, for Units on a one-to-one basis and are subject to certain lock-up and standstill provisions, including a lockup for a period of 24 months from the acquisition date, with 25% of the Exchangeable LP Units, or Units for which they are exchanged, being released from lock-up every three months following the first anniversary of closing. Each Exchangeable LP Unit is accompanied by one Special Voting Unit. Allied paid the balance of the purchase price by granting to Choice Properties a \$200 million promissory note which matures on December 31, 2023, bearing interest at 1% per year in 2022 and 2% per year in 2023, payable quarterly. The promissory note is secured by a first registered charge on five of the six acquired properties.

For more information about these properties, see "Property Portfolio".

DISPOSITIONS

During 2022, Allied disposed the following air rights and properties to third parties:

On January 24, 2022, Allied and its partners closed on the fifth and final phase of The Well air rights, the associated underground parking and transfer floor slab developments for net cash consideration of \$14,841,000 (at Allied's share), which represented the fair value at the time of disposition so accordingly there was no gain or loss recorded. In addition, during the year ended December 31, 2022, Allied received cash of \$413,000 (at Allied's share) for the release of a holdback related to the disposition of the first phase of The Well air rights.

On June 30, 2022, Allied closed on the disposition of two investment properties held for sale, which were 662 King Street West and 668 King Street West, both in Toronto, for net proceeds of \$38,954,000 and \$9,991,000 respectively. The total net cash consideration of \$48,945,000 represented the fair value at the time of disposition, so there was no gain or loss recorded on closing. The disposition costs incurred were fully recoverable from the purchaser.

On August 16, 2022, Allied closed on the disposition of one investment property held for sale, 100 Lombard Street in Toronto, at a selling price of \$26,000,000, which represented the fair value at the time of disposition, so there was no gain or loss recorded on closing. In addition, Allied incurred net working capital adjustments of \$487,000 and selling costs of \$21,000, resulting in total net cash consideration of \$25,492,000.

DEVELOPMENT

Development is a way to create value and a particularly effective one for Allied, given the strategic positioning of its portfolio in the urban areas of Canada's major cities. Urban intensification is the single most important trend in relation to Allied's business. Not only does it anchor Allied's investment and operating focus, it provides the context within which Allied creates value for its Unitholders.

The completion of projects currently under development is an important component of Allied's growth. The expectation is largely contingent upon completing the development projects in the manner contemplated. The most important factor affecting completion will be successful lease-up of space in the development portfolio. The material assumption is that the office leasing market in the relevant markets remains stable.

Properties Under Development consist of properties purchased with the intention of being developed or redeveloped before being operated and properties transferred from the rental portfolio once activities changing the condition or state of the property, such as the de-leasing process, commence.

The following table sets out the fair value of Allied's Properties Under Development as at December 31, 2022, 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. All amounts (excluding estimated yield on cost) in the table and corresponding footnotes below are denoted in thousands of dollars.

PROPERTY NAME	TRANSFER TO RENTAL PORTFOLIO	APPRAISED VALUE	ESTIMATED ANNUAL NOI	ESTIMATED TOTAL COST	ESTIMATED YIELD ON COST	ESTIMATED COST TO COMPLETE
The Well, Toronto ⁽¹⁾⁽²⁾	Q3 2022 - Q4 2023	\$909,480	\$37,500 - 43,250	\$793,000	4.7% - 5.5%	\$78,000
Adelaide & Duncan, Toronto ⁽¹⁾⁽³⁾	Q2 2023 - Q4 2024	177,260	9,625 - 11,125	206,200	4.7% - 5.4%	45,700
Breithaupt Phase III, Kitchener ⁽¹⁾⁽⁴⁾	Q3 2023	81,590	5,375 - 5,500	78,652	6.8% - 7.0%	8,700
QRC West, Phase II, Toronto	Q2 2024	70,560	4,550 - 4,650	91,574	5.0% - 5.1%	32,400
KING Toronto, Toronto ⁽¹⁾⁽⁵⁾	Q2 2025	67,800	5,000 - 6,000	93,791	5.3% - 6.8%	22,400
108 East 5th Avenue, Vancouver ⁽¹⁾	Q1 2025	49,290	4,350 - 4,600	106,384	4.1% - 4.3%	58,000
700 Saint Hubert	Q2 2023	126,990	4,000 - 5,000	130,457	3.1% - 3.8%	10,500
Redevelopments ⁽⁶⁾	Q1 2023 - Q4 2024	231,220+	13,865 - 16,540+	346,992+	3.9% - 4.7%	54,600+
Total		\$1,714,190+ ⁽⁷⁾	\$84,265 - 96,665+			

(1) These properties are co-owned, reflected in the table above at Allied's ownership percentage of assets and liabilities.

(2) The estimated costs are net of the actual gross proceeds from the sale of the The Well Air Rights of \$111,758 (at Allied's share). The transfer of The Well to the rental portfolio is occurring in phases.

(3) The project is anticipated to be completed in two phases. The commercial phase is scheduled for completion in Q2 2023 and the residential phase is scheduled for completion in Q4 2024.

(4) Breithaupt Phase III is comprised of 43 Wellington, 53 & 55 Wellington, 305 Joseph, 20 Breithaupt and 2-4 Stewart.

(5) Allied entered into a joint arrangement with Westbank to develop KING Toronto. As part of the arrangement, Allied sold a 50% undivided interest to Westbank. KING Toronto is comprised of the following properties: 489 King W, 495 King W, 499 King W, 511-529 King W, 533 King W, 539 King W. The appraised value relates to the commercial component. The estimated total cost is net of the estimated gross proceeds from the sale of the residential inventory of \$290,000 - \$295,000.

(6) Redevelopments consist of nine projects, seven which include properties in their entirety and two which include a portion of the property.

(7) The Properties Under Development as at December 31, 2022, of \$1,529,440 excludes the portion of The Well that has been transferred to the rental portfolio.

Transfer to the rental portfolio occurs when the property is capable of operating in the manner intended by Management. Generally this occurs upon completion of construction and receipt of all necessary occupancy and other permits. In some instances, particularly in ground up developments like The Well and Breithaupt Phase III, 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.

INVESTMENT PROPERTIES HELD FOR SALE

As at December 31, 2022, Allied had five properties classified as investment properties held for sale totaling \$1,354,830,000, four located in Toronto and one located in Montréal. On January 16, 2023, Allied announced its completion of the initial phase of its exploration of the sale of its UDC Portfolio, which consists of freehold interest in 151 Front Street West and 905 King Street West and a leasehold interest in 250 Front Street West, all in Toronto. The Portfolio is unencumbered and does not include 20 York Street, the site for Union Centre. If successful in selling the Portfolio, Allied expects to use a significant portion of the sale proceeds to retire debt and the balance to fund its current development activity.

EQUITY FINANCING

Recent developments in equity financing for 2022 are illustrated as follows:

In November 2021, Allied established an at-the-market equity program (the “*ATM Program*”) which allows it to issue and sell up to \$300,000,000 of Units to the public, from time to time, at its discretion. The ATM Program is designed to provide Allied with additional financing flexibility which may be used in conjunction with other existing funding sources. Allied intends to use the net proceeds from the ATM Program for development, repayment of indebtedness and general trust purposes.

In January 2022, Allied issued 211,800 Units under the ATM Program at a weighted average price of \$44.02 per Unit for gross proceeds of \$9,324,000, and incurred commissions of \$140,000, for net proceeds of \$9,184,000.

CONSTRUCTION LOANS

As at December 31, 2022, and December 31, 2021, Allied's obligations under the construction loans are as follows:

JOINT ARRANGEMENT	OWNERSHIP	DATE OF MATURITY	DECEMBER 31, 2022	DECEMBER 31, 2021
Adelaide & Duncan	50%	August 11, 2023	\$85,485,000	\$62,048,000
Breithaupt Phase III	50%	June 2, 2023	50,472,000	31,041,000
KING Toronto	50%	December 17, 2024	71,762,000	39,607,000
108 East 5th Avenue	50%	December 6, 2025	16,006,000	—
			\$223,725,000	\$132,696,000

Recent developments in construction loans for 2022 are illustrated as follows:

On February 21, 2020, Allied and Perimeter obtained a \$138,000,000 construction loan for the Breithaupt Phase III joint arrangement from a syndicate of Canadian banks, in which Allied's 50% share is \$69,000,000. On December 1, 2022, Allied and Perimeter exercised their option to extend the loan maturity to June 2, 2023, which bears interest at bank prime or bankers' acceptance rate plus 120 basis points with a standby fee of 20 basis points. Allied is providing a joint and several guarantee of the entire facility and is earning a related guarantee fee on \$69,000,000 of the guarantee.

On December 5, 2022, the 108 East 5th Avenue joint arrangement obtained a \$150,000,000 construction lending facility from a syndicate of Canadian banks, in which Allied's 50% share is \$75,000,000. The loan matures on December 6, 2025, and bears interest at prime plus 35 basis points or bankers' acceptance rate plus 135 basis points with a standby fee of 27 basis points and a letter of credit fee rate of 100 basis points. These interest rates and the standby fee (other than the letter of credit fee) are subject to variability based on the achievement of two distinct sustainability performance targets. For each sustainability performance target achieved, the interest rate and standby fee would decrease by 0.025% per annum and 0.005% per annum, respectively. In addition, if certain sustainability minimums are not achieved, the interest rate and standby fee would increase by 0.025% per annum and 0.005% per annum, respectively. Depending on the applicable sustainability performance target or sustainability minimum, the settlement of these interest rate variations and the standby fee occurs either annually or at the earlier of December 6, 2025, and the date the construction lending facility is fully repaid. Allied has provided a joint and several guarantee of the entire facility and is earning a related guarantee fee on \$75,000,000 of the guarantee. On January 13, 2023, the 108 East 5th Avenue joint arrangement entered into a swap agreement to fix 75% of the construction costs up to \$110,175,000 at 4.90%.

UNSECURED TERM LOAN

Recent developments in unsecured term loans for 2022 are illustrated as follows:

On April 22, 2022, Allied entered into an unsecured term loan with a financial institution for \$400,000,000 at a rate of prime plus 10 basis points or bankers' acceptance plus 110 basis points, due on October 22, 2025. The proceeds from the loan were used to repay the Allied's unsecured revolving credit facility. Debt financing costs of \$700,000 were incurred and recorded against the principal owing. On June 24, 2022, Allied entered into a swap agreement to fix the rate at 4.86%. On December 21, 2022, Allied amended the swap agreement for the settlement period, which increased the rate from 4.86% to 4.865%.

LOANS RECEIVABLE

The table below summarizes the loans receivable as at December 31, 2022, and December 31, 2021.

	DECEMBER 31, 2022	DECEMBER 31, 2021
Adelaide & Duncan	\$21,173,000	\$21,173,000
400 West Georgia	161,032,000	144,271,000
KING Toronto	97,037,000	90,586,000
Breithaupt Phase III	9,913,000	10,256,000
150 West Georgia ⁽¹⁾	142,877,000	101,293,000
Total loans receivable	\$432,032,000	\$367,579,000

(1) Previously known as 720 Beatty Street.

Recent developments in loans receivable for 2022 are illustrated as follows:

On August 1, 2017, Allied entered into an arrangement with Westbank to provide a credit facility of up to \$100,000,000 plus interest, for the land acquisition and the pre-development costs of 400 West Georgia in Vancouver. The facility is secured by Westbank's covenant and a charge on the property (subordinated to the construction lender). On February 11, 2019, the facility was increased to \$160,000,000 and on August 18, 2022, the facility was further increased to \$175,000,000. On May 18, 2022, Westbank exercised its option to extend the maturity date from August 31, 2022, to August 31, 2023. On January 12, 2023, the maturity date of the facility was further extended from August 31, 2023, to February 29, 2024. Interest accrues to the credit facility monthly at a rate of 6.75% per annum up to August 31, 2022. Thereafter, interest accrues to the credit facility monthly at the greater of 6.75% per annum and the prime rate plus 3.00% per annum. On placement of permanent financing, Allied intends to acquire a 50% undivided interest in 400 West Georgia based on total development costs. As at December 31, 2022, the loan receivable outstanding is \$161,032,000.

NORMAL COURSE ISSUER BID

On February 22, 2022, Allied received approval from the Toronto Stock Exchange (“TSX”) for the renewal of its normal course issuer bid (“NCIB”), which entitles Allied to purchase up to 12,602,594 of its outstanding Units, representing approximately 10% of its public float as at February 10, 2022. The NCIB commenced February 24, 2022, and will expire on February 23, 2023, 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 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 year ended December 31, 2022, Allied purchased 61,725 Units for \$2,664,000 at a weighted average price of \$43.16 per Unit under its NCIB program, of which 61,148 Units were purchased for delivery to participants under Allied’s Restricted Unit Plan and 577 Units were purchased for certain employee rewards outside of Allied’s Restricted Unit Plan.

IMPACT OF COVID-19

As a result of the continuously evolving circumstances surrounding the COVID-19 pandemic, uncertainty remains with respect to Allied’s revised internal forecast, the most significant being the fact that it cannot predict how consumers, users and governments will respond during the transition to a fully reopened economy. In addition, Allied cannot predict the extent and severity of the economic disruption and related financial impact flowing from the global pandemic. See “Risk Factors - COVID-19 Risk”.

Property Portfolio

PROPERTIES

The Properties, as at December 31, 2022, are set out below.

DECEMBER 31, 2022 PROPERTIES	OFFICE GLA	RETAIL GLA	TOTAL GLA	LEASED %
28 Atlantic	10,065	—	10,065	100.0%
32 Atlantic	50,434	—	50,434	100.0%
47 Jefferson	6,884	—	6,884	100.0%
64 Jefferson	78,820	—	78,820	100.0%
College & Manning - 547-549 College	—	2,708	2,708	100.0%
College & Manning - 559-563 College ⁽¹⁾	24,627	2,634	27,261	100.0%
College & Palmerston - 491 College ⁽¹⁾	8,863	3,717	12,580	100.0%
The Castle - 135 Liberty	55,357	—	55,357	46.9%
The Castle - 41 Fraser	14,857	—	14,857	100.0%
The Castle - 47 Fraser	7,468	3,480	10,948	100.0%
The Castle - 49 Fraser	17,472	—	17,472	40.7%
The Castle - 53 Fraser	78,797	—	78,797	100.0%
The Castle - 8 Pardee	—	2,681	2,681	100.0%
The Well - 8 Spadina ⁽¹⁾⁽⁶⁾	246,702	285	246,987	100.0%
The Well - 452 Front W ⁽¹⁾⁽⁶⁾	42,871	—	42,871	100.0%
The Well - 468 Front W ⁽¹⁾⁽⁶⁾	1,523	—	1,523	100.0%
King West	644,740	15,505	660,245	94.0%
12 Brant	—	11,936	11,936	100.0%
141 Bathurst	10,101	—	10,101	100.0%
183 Bathurst	24,136	5,643	29,779	65.5%
241 Spadina	24,833	6,046	30,879	100.0%
379 Adelaide W	38,560	3,045	41,605	36.5%

DECEMBER 31, 2022 PROPERTIES	OFFICE GLA	RETAIL GLA	TOTAL GLA	LEASED %
383 Adelaide W	4,515	—	4,515	52.8%
387 Adelaide W	6,500	—	6,500	100.0%
420 Wellington W	31,339	3,163	34,502	100.0%
425 Adelaide W	70,846	3,809	74,655	98.3%
425-439 King W	66,486	23,497	89,983	88.3%
432 Wellington W	—	8,997	8,997	100.0%
441-443 King W	6,377	2,904	9,281	100.0%
445-455 King W	31,523	16,304	47,827	100.0%
460 King W	10,144	4,285	14,429	100.0%
461 King W	38,717	35,833	74,550	77.1%
468 King W	63,121	—	63,121	—%
469 King W	61,618	12,273	73,891	100.0%
478 King W	—	8,701	8,701	100.0%
485 King W	12,339	—	12,339	100.0%
500 King W	44,130	21,598	65,728	100.0%
522 King W	28,850	21,863	50,713	71.5%
540 King W	—	5,935	5,935	100.0%
544 King W	16,340	—	16,340	100.0%
552-560 King W	6,784	17,395	24,179	100.0%
555 Richmond W	296,009	1,850	297,859	90.1%
579 Richmond W	26,818	—	26,818	66.6%
64 Spadina	—	5,297	5,297	100.0%
80-82 Spadina	60,048	16,009	76,057	100.0%
96 Spadina	77,223	8,240	85,463	86.5%
King Portland Centre - 602-606 King W ⁽¹⁾	19,208	6,364	25,572	100.0%
King Portland Centre - 620 King W ⁽¹⁾	127,658	9,170	136,828	100.0%
King Portland Centre - 642 King W ⁽¹⁾	7,370	5,365	12,735	97.1%
King West Central	1,211,593	265,522	1,477,115	86.8%
116 Simcoe	15,461	—	15,461	74.3%
117 & 119 John	—	7,562	7,562	100.0%
121 John	2,444	798	3,242	52.9%
125 John	2,171	798	2,969	100.0%
179 John	70,898	—	70,898	100.0%
180 John	45,631	—	45,631	100.0%
200 Adelaide W	26,614	—	26,614	100.0%
208-210 Adelaide W	11,477	—	11,477	67.9%
217 Richmond W	31,707	21,670	53,377	93.6%
257 Adelaide W	42,763	—	42,763	100.0%
312 Adelaide W	62,420	5,584	68,004	66.0%
331-333 Adelaide W	19,048	3,725	22,773	100.0%

DECEMBER 31, 2022 PROPERTIES	OFFICE GLA	RETAIL GLA	TOTAL GLA	LEASED %
358-360 Adelaide W	50,786	—	50,786	75.9%
388 King W	20,275	19,040	39,315	53.6%
82 Peter	40,069	6,846	46,915	100.0%
99 Spadina	51,058	—	51,058	100.0%
QRC West - 134 Peter, Phase I	298,782	8,213	306,995	97.0%
QRC West - 364 Richmond W, Phase I	38,279	—	38,279	82.1%
Union Centre	41,787	—	41,787	88.1%
Entertainment District	871,670	74,236	945,906	90.8%
110 Yonge ⁽²⁾	78,100	2,376	80,476	83.5%
175 Bloor E ⁽³⁾	295,739	9,177	304,916	80.1%
193 Yonge	34,349	16,898	51,247	100.0%
525 University	192,771	9,392	202,163	99.1%
Downtown	600,959	37,843	638,802	88.2%
106 Front E	24,118	10,554	34,672	80.5%
184 Front E	84,116	4,829	88,945	81.7%
35-39 Front E	34,818	13,822	48,640	100.0%
36-40 Wellington E	15,494	9,993	25,487	84.1%
41-45 Front E	20,958	14,239	35,197	60.3%
45-55 Colborne	30,622	13,288	43,910	91.8%
47 Front E	9,068	4,337	13,405	78.4%
49 Front E	9,482	10,435	19,917	70.6%
50 Wellington E	22,112	12,454	34,566	100.0%
54 Esplanade	—	9,038	9,038	100.0%
56 Esplanade	59,270	22,137	81,407	78.5%
60 Adelaide E	106,193	4,608	110,801	92.4%
65 Front E	14,339	5,922	20,261	100.0%
70 Esplanade	19,590	6,109	25,699	100.0%
St. Lawrence Market	450,180	141,765	591,945	86.6%
135-137 George	2,399	—	2,399	100.0%
133 George	1,617	—	1,617	100.0%
139-141 George	2,190	—	2,190	—%
204-214 King E	115,087	13,837	128,924	100.0%
230 Richmond E	73,542	—	73,542	100.0%
252-264 Adelaide E	44,537	2,582	47,119	71.2%
489 Queen E	31,737	—	31,737	100.0%
70 Richmond E	34,469	—	34,469	100.0%
Dominion Square - 468 Queen N	30,383	3,523	33,906	100.0%
Dominion Square - 468 Queen S	34,313	9,091	43,404	96.9%
Dominion Square - 478-496 Queen	6,552	33,526	40,078	100.0%

DECEMBER 31, 2022 PROPERTIES	OFFICE GLA	RETAIL GLA	TOTAL GLA	LEASED %
ORC East - 111 Queen E	190,953	20,733	211,686	97.1%
Queen Richmond	567,779	83,292	651,071	96.4%
Toronto	4,346,921	618,163	4,965,084	89.9%
195 Joseph	26,462	—	26,462	100.0%
25 Breithaupt ⁽⁴⁾	46,845	—	46,845	100.0%
51 Breithaupt ⁽⁴⁾	66,355	—	66,355	100.0%
72 Victoria	90,010	—	90,010	95.1%
The Tannery - 151 Charles W	306,821	25,810	332,631	91.8%
Kitchener	536,493	25,810	562,303	94.4%
Toronto & Kitchener	4,883,414	643,973	5,527,387	90.4%
The Chambers - 40 Elgin	195,994	5,466	201,460	100.0%
The Chambers - 46 Elgin	28,218	1,756	29,974	91.9%
Ottawa	224,212	7,222	231,434	99.0%
1001 Boulevard Robert-Bourassa ⁽⁶⁾	653,962	—	653,962	98.9%
1010 Sherbrooke W	326,754	1,600	328,354	92.7%
3510 Saint-Laurent	85,646	15,022	100,668	100.0%
3530-3540 Saint-Laurent	52,321	4,008	56,329	91.5%
425 Viger	307,201	9,146	316,347	95.7%
4396-4410 Saint-Laurent	41,374	14,147	55,521	98.5%
4446 Saint-Laurent	72,819	7,251	80,070	82.3%
451-481 Saint-Catherine W	21,044	9,983	31,027	92.4%
480 Saint-Laurent	53,407	6,293	59,700	99.3%
5445 de Gaspé	483,685	896	484,581	88.9%
5455 de Gaspé	466,698	22,562	489,260	98.4%
5505 Saint-Laurent	243,788	2,221	246,009	99.1%
6300 Parc	184,510	3,933	188,443	90.8%
645 Wellington	129,017	8,117	137,134	96.0%
700 Saint Antoine	107,320	16,893	124,213	95.7%
740 Saint-Maurice	67,674	—	67,674	100.0%
747 Square-Victoria	531,612	37,752	569,364	90.9%
810 Saint Antoine	43,500	—	43,500	33.3%
85 Saint-Paul W	79,707	—	79,707	85.6%
Cité Multimédia - 111 Boulevard Robert-Bourassa	359,039	12,571	371,610	53.4%
Cité Multimédia - 50 Queen	27,072	—	27,072	95.4%
Cité Multimédia - 700 Wellington	135,232	—	135,232	84.5%
Cité Multimédia - 75 Queen	253,311	2,513	255,824	90.8%
Cité Multimédia - 80 Queen	69,247	—	69,247	100.0%
Cité Multimédia - 87 Prince	99,089	1,040	100,129	96.8%
El Pro Lofts - 644 Courcelle	145,166	8,935	154,101	66.9%

DECEMBER 31, 2022 PROPERTIES	OFFICE GLA	RETAIL GLA	TOTAL GLA	LEASED %
Le Nordelec - 1301-1303 Montmorency	7,550	—	7,550	100.0%
Le Nordelec - 1655 Richardson	32,893	—	32,893	100.0%
Le Nordelec - 1751 Richardson & 1700 Saint-Patrick	785,995	41,479	827,474	94.5%
RCA Building - 1001 Lenoir ⁽⁶⁾	147,350	26,243	173,593	100.0%
Montréal	6,013,983	252,605	6,266,588	90.9%
Montréal & Ottawa	6,238,195	259,827	6,498,022	91.2%
613 11th SW	—	4,288	4,288	100.0%
617 11th SW	3,230	6,306	9,536	100.0%
Alberta Block - 805 1st SW	9,094	22,038	31,132	94.0%
Alberta Hotel - 808 1st SW	28,036	20,424	48,460	78.2%
Atrium on Eleventh - 625 11th SE	34,594	1,373	35,967	88.3%
Biscuit Block - 438 11th SE	51,298	—	51,298	100.0%
Burns Building - 237 8th SE	67,160	7,423	74,583	95.5%
Cooper Block - 809 10th SW	35,256	—	35,256	100.0%
Customs House - 134 11th SE	77,097	—	77,097	100.0%
Demcor Condo - 221 10th SE	14,253	—	14,253	50.7%
Demcor Tower - 239 10th SE	25,228	—	25,228	88.4%
Five Roses Building - 731-739 10th SW	—	20,808	20,808	88.0%
Glenbow - 802 11th SW	—	7,319	7,319	100.0%
Glenbow - 822 11th SW	14,037	3,501	17,538	73.0%
Glenbow Annex - 816 11th SW	—	9,021	9,021	100.0%
Glenbow Cornerblock - 838 11th SW	10,998	11,212	22,210	94.8%
Glenbow Ellison - 812 11th SW	13,344	—	13,344	100.0%
Kipling Square - 601 10th SW	48,502	—	48,502	85.2%
Leeson Lineham Building - 209 8th SW	27,821	5,420	33,241	100.0%
LocalMotive - 1240 20th SE	57,536	—	57,536	100.0%
Odd Fellows - 100 6th SW	33,474	—	33,474	100.0%
Pilkington Building - 402 11th SE	40,018	—	40,018	100.0%
Roberts Block - 603-605 11th SW	23,641	27,499	51,140	68.9%
Sherwin Block - 738 11th SW	18,319	8,176	26,495	60.9%
Telephone Building - 119 6th SW	63,063	—	63,063	60.1%
TELUS Sky - 685 Centre SW ⁽⁵⁾	144,290	3,711	148,001	77.8%
Theatre Grand - 608 1st Street SW	—	34,100	34,100	100.0%
Vintage Towers - 322-326 11th SW	190,243	20,418	210,661	91.1%
Woodstone Building - 1207-1215 13th SE	32,428	—	32,428	100.0%
Young Block - 129 8th SW	4,841	2,164	7,005	65.5%
Calgary	1,067,801	215,201	1,283,002	88.2%
1040 Hamilton	36,276	9,162	45,438	73.9%
1050 Homer	38,302	4,797	43,099	100.0%
1185 West Georgia	160,364	4,869	165,233	100.0%
1220 Homer	21,708	—	21,708	100.0%

DECEMBER 31, 2022 PROPERTIES	OFFICE GLA	RETAIL GLA	TOTAL GLA	LEASED %
1286 Homer	25,613	—	25,613	100.0%
1508 West Broadway	82,961	64,183	147,144	97.1%
151-155 West Hastings	38,512	—	38,512	100.0%
2233 Columbia	21,591	6,852	28,443	100.0%
365 Railway	31,528	—	31,528	100.0%
375 Water	150,276	27,149	177,425	86.3%
840 Cambie	89,377	—	89,377	100.0%
948-950 Homer	23,245	21,758	45,003	100.0%
Dominion Building - 207 West Hastings	59,659	12,646	72,305	91.4%
Sun Tower - 128 West Pender	76,247	1,693	77,940	79.5%
Vancouver	855,659	153,109	1,008,768	93.8%
Total Rental Portfolio	13,045,069	1,272,110	14,317,179	90.8%

*Note that the table above does not include ancillary residential properties, which total 13, and are included in the property count.
The table above also excludes properties under development and investment properties held for sale.*

- (1) RioCan/Allied Joint Arrangement
- (2) Sutter Hill/Allied Joint Arrangement
- (3) OPTrust/Allied Joint Arrangement
- (4) Perimeter/Allied Joint Arrangement
- (5) Westbank/Allied/TELUS Joint Arrangement
- (6) A portion of the property is under development. Only the portion of GLA that is in the rental portfolio is included in the property table.

RENTAL RESIDENTIAL UNITS

PROPERTY	OCCUPANCY AT DECEMBER 31, 2022	WEIGHTED AVERAGE OCCUPANCY FOR THE YEAR ENDED DECEMBER 31, 2022
TELUS Sky	81.4%	65.0%
College & Manning	96.8%	64.5%

PROPERTIES UNDER DEVELOPMENT

	ESTIMATED GLA ON COMPLETION (SF)
The Well, Toronto ⁽¹⁾⁽²⁾⁽⁵⁾	763,000
The Lougheed (604-1st SW), Calgary	88,000
400 Atlantic, Montréal	87,473
Boardwalk-Revillon Building, Edmonton ⁽³⁾	297,851
185 Spadina, Toronto	55,213
Breithaupt Phase III, Kitchener ⁽¹⁾	147,000
342 Water, Vancouver	21,640
Adelaide & Duncan, Toronto ⁽¹⁾⁽⁴⁾	230,000
1001 Boulevard Robert-Bourassa, Montréal ⁽⁵⁾	335,652
RCA Building, Montréal ⁽⁵⁾	171,668
422-424 Wellington W, Toronto	10,000
QRC West Phase II, Toronto ⁽⁶⁾	93,134
KING Toronto, Toronto ⁽¹⁾⁽⁷⁾	100,000
108 East 5th Avenue, Vancouver ⁽¹⁾	102,000
700 Saint Hubert, Montréal	144,114
3575 Saint-Laurent, Montréal	184,779
Total Development Portfolio	2,831,524

(1) These properties are co-owned, reflected in the table above at Allied's ownership interest.

(2) Each of Allied and RioCan own an undivided 50% interest in The Well. The GLA components (in square feet) at Allied's 50% share will be as follows: approximately 584,000 of office, 160,000 of retail, 19,000 of storage and the residential air rights. The residential air rights and associated underground parking and transfer floor slab developments ("The Well Air Rights") were sold by the co-ownership as previously announced, with the first phase closed in Q4 2020, the second and third phases closed in Q2 2021, the fourth phase closed in Q4 2021 and the last phase closed in January 2022.

(3) The GLA components (in square feet) are as follows: 233,559 of office and 64,292 of retail.

(4) The GLA components (in square feet) at our 50% share are as follows: 144,000 of residential, 77,000 of office and 9,000 of retail.

(5) A portion of the property is under development. The GLA represents the portion under development, except for The Well, which is a ground-up development and the GLA includes the portion in the rental portfolio.

(6) The GLA components (in square feet) are as follows: 77,434 of office and 15,700 of retail.

(7) Allied entered into a joint arrangement with Westbank to develop KING Toronto. As part of the arrangement, Allied sold a 50% undivided interest to Westbank. KING Toronto is comprised of the following properties: 489 King W, 495 King W, 499 King W, 511-529 King W, 533 King W, 539 King W. The GLA components (in square feet) at our 50% share will be as follows: 60,000 of retail and 40,000 of office.

ANCILLARY PARKING FACILITIES

	NUMBER OF SPACES
15 Brant, Toronto	208
78 Spadina, Toronto	39
7-9 Morrison, Toronto	25
105 George, Toronto	15
301 Markham, Toronto	47
388 Richmond, Toronto	121
464 King, Toronto	12
478 King, Toronto	131
560 King, Toronto	171
650 King, Toronto	71
Total Parking	840

USER MIX

No single user accounts for more than 3.1% of the rental revenue from the Properties. As shown in the table below, the Properties have a diversified user base, which is expected to provide Allied with stable and predictable cash flows. The following table shows the user mix for the Properties on the basis of percentage of rental revenue for the year ended December 31, 2022.

CATEGORY	% OF RENTAL REVENUE ⁽¹⁾ DECEMBER 31, 2022
Business services and professional	40.4%
Telecommunications and information technology	15.9%
Media and entertainment	13.8%
Retail	9.8%
Financial services	6.8%
Government	6.2%
Life sciences	2.8%
Parking and other	2.7%
Educational and institutional	1.6%
	100.0%

(1) The rental revenue is on a proportionate basis, which is a non-IFRS measure. Refer to Non-IFRS Measures on page 6.

The following sets out the percentage of rental revenue from top 10 users by rental revenue for the year ended December 31, 2022:

USER	% OF RENTAL REVENUE ⁽¹⁾ DECEMBER 31, 2022	WEIGHTED AVERAGE REMAINING LEASE TERM (YEARS)	CREDIT RATING DBRS/S&P/ MOODY'S
Ubisoft Divertissements Inc.	3.1%	9.5	Not Rated
Google Canada Corporation	2.3%	6.8	*-/AA+/Aa2
Société Québécoise des Infrastructures	2.0%	5.0	Not Rated
Morgan Stanley Services Canada Corp	1.8%	6.9	AH/A-/A1
National Capital Commission	1.7%	11.7	Not Rated
National Bank of Canada	1.4%	4.2	AA/A/Aa3
Technicolor Canada Inc.	1.3%	2.4	*-/CCC+/Caa1
Entertainment One	1.2%	5.5	*-/BBB/Baa2
Shopify Inc	1.1%	9.7	Not Rated
Hydro-Québec	0.9%	7.2	AAL/AA-/Aa2
	16.8%	7.2	

* Credit rating for parent company

(1) The rental revenue is on a proportionate basis, which is a non-IFRS measure. Refer to Non-IFRS Measures on page 6.

LEASING AND LEASE MATURITIES

The occupied area of Allied's rental portfolio (which excludes assets held for sale including UDC) as at December 31, 2022 was 89.6%, with leased area at 90.8%. Allied renewed leases for 57.9% of the space that matured in 2022. This resulted in an overall increase of 5.6% in net rent per square foot from the affected space and a weighted average lease term of 5.5 years for the entire rental portfolio.

The following table contains information on the urban workspace, leases that mature through 2027 and the corresponding estimated weighted average market rental rate as at December 31, 2022. Where the renewal rate on maturity is contractually predetermined, it is reflected below as the market rental rate.

	SQUARE FEET	% OF TOTAL GLA	WEIGHTED AVERAGE IN-PLACE RENTAL RATE	ESTIMATED WEIGHTED AVERAGE MARKET RENTAL RATE
December 31, 2023	1,553,867	10.9%	23.90	24.62
December 31, 2024	1,014,987	7.1%	25.50	25.90
December 31, 2025	1,385,951	9.7%	23.59	24.41
December 31, 2026	1,365,610	9.5%	24.01	25.65
December 31, 2027	1,866,627	13.0%	21.06	23.81

MORTGAGES

Mortgages payable have a weighted average contractual interest rate of 3.37% as at December 31, 2022. 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	DECEMBER 31, 2022	DECEMBER 31, 2021
2023	\$3,069,000	\$12,230,000	\$15,299,000	
2024	2,528,000	46,669,000	49,197,000	
2025	6,423,000	—	6,423,000	
2026	1,391,000	20,443,000	21,834,000	
2027	487,000	—	487,000	
2028	293,000	14,457,000	14,750,000	
2029	—	—	0	
2030	5,000,000	—	5,000,000	
Mortgages, principal balance	\$19,191,000	\$93,799,000	\$112,990,000	\$118,094,000

Risk Factors

There are certain risks inherent in the activities of Allied, including the following.

OPERATING RISKS AND RISK MANAGEMENT

REAL ESTATE RISK

Allied is subject to the conventional risks associated with the ownership of real estate.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made by Allied throughout the period of its ownership of the properties regardless of whether the property is producing sufficient income to cover such expenses. In order to provide desirable rentable space over the long term, Allied must maintain or, in some cases, improve each property's condition to meet market demand. Maintaining and improving a rental property can entail significant costs that Allied may not be able to pass on to users.

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may tend to limit Allied's ability to vary its portfolio promptly in response to changing economic or investment conditions. If Allied were to dispose of real property investments, the proceeds to Allied might be significantly less than the aggregate carrying value of its properties.

Allied strives to mitigate these risks by remaining fully informed on best practices, trends and legislative and demographic changes in the commercial real estate markets within which we operate. Allied additionally strives to mitigate these risks by focusing intently on execution.

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.

In evaluating lease roll-over risk, it is informative to determine Allied's sensitivity to a decline in occupancy. For every full-year decline of 100 basis points in occupancy at its average rental rate per square foot, Allied's annual AFFO excluding condominium related items, financing prepayment costs and the mark-to-market adjustment on unit-based compensation would decline by approximately \$6,229,000 (approximately \$0.045 per unit). The decline in AFFO excluding condominium related items and financing prepayment costs per unit 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.

USER TERMINATIONS AND FINANCIAL STABILITY

Allied's distributable income would be adversely affected if a significant number of users were to become unable to meet their obligations under their leases or if a significant amount of available space in its properties were not able to be leased on economically favourable lease terms. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the user replaced. The terms of any subsequent lease may be less favourable to Allied than the existing lease. In the event of default by a user, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting Allied's investment may be incurred. Furthermore, at any time, a user of any of Allied's properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such user's lease and thereby cause a reduction in the cash flow available to Allied. The ability to rent unleased space in the properties in which Allied will have an interest will be affected by many factors. Costs may be incurred in making improvements or repairs to property required by a new user. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on Allied's financial condition.

DEVELOPMENT RISK

As an owner of Properties Under Development, Allied is subject to development risks, such as construction delays, cost over-runs and the failure of users to take occupancy and pay rent in accordance with lease arrangements. In connection with all Properties Under Development, Allied incurs development costs prior to (and in anticipation of) achieving a stabilized level of rental revenue. In the case of the development of ancillary or surplus land, these risks are managed in most cases by not commencing construction until a satisfactory level of pre-leasing is achieved. Overall, these risks are managed through Allied's Declaration of Trust, which states that the cost of development cannot exceed 15% of GBV.

JOINT ARRANGEMENTS AND PARTNERSHIPS

Allied has entered into various joint arrangements and partnerships with different entities. If these joint arrangements or partnerships do not perform as expected or default on financial obligations, Allied has an associated risk. Allied reduces this risk by seeking to negotiate contractual rights upon default, by entering into agreements with financially stable partners and by working with partners who have a successful record of completing development projects.

Allied may own less than a controlling interest, may not be in a position to exercise sole decision-making authority regarding the properties owned through joint arrangements and may not fully manage those properties. Investments in joint arrangements may, under certain circumstances, involve risks not present when a third party is not involved, including: (i) counter-party risk; (ii) the possibility that joint arrangement partners may have business interests or goals that are inconsistent with Allied's business interests or goals; and (iii) the need to obtain the joint arrangement partner's consent with respect to certain major decisions relating to these assets, such as decisions relating to the sale of the assets, timing and amount of distributions of cash from such properties to Allied and its joint arrangement partners, and capital expenditures. In addition, the sale or transfer of interests in certain of the joint arrangements and partnerships may be subject to rights of first refusal and certain of the joint arrangement agreements may provide for buy-sell, put or similar arrangements.

COMPETITION

The real estate business is competitive. Numerous other developers, managers and owners of office properties compete with Allied in seeking users. Some of the properties of Allied's competitors are better located or less levered than Allied's properties and any property in which Allied subsequently acquires an interest. Some of Allied's competitors are better capitalized and stronger financially and hence better able to withstand an economic downturn. The existence of competing developers and owners and competition for Allied's users could have an adverse effect on Allied's ability to lease space in its properties and on the rents charged or concessions granted, and could adversely affect Allied's revenues and its ability to meet its debt obligations. An increase in the availability of investment funds and an increase in interest in immovable property investments may tend to increase competition for immovable property investments, thereby increasing purchase prices and reducing the yield on them. Competition for acquisitions of real properties is intense, and some competitors may have the ability or inclination to acquire properties at a higher price or on terms less favourable than those that Allied is prepared to accept.

UNEXPECTED COSTS OR LIABILITIES RELATED TO ACQUISITIONS

A risk associated with acquisitions is that there may be an undisclosed or unknown liability relating to the acquired property, and Allied may not be indemnified for some or all of these liabilities. Following an acquisition, Allied may discover that it has acquired undisclosed liabilities, which may be material. The due diligence procedures performed by Management are designed to address this risk. Allied performs what it believes to be an appropriate level of investigation in connection with its acquisition of properties and seeks through contract to ensure that risks lie with the appropriate party.

RELIANCE ON KEY PERSONNEL

The management of Allied depends on the services of certain key personnel. The loss of the services of any key personnel could have an adverse effect on Allied.

CONDOMINIUM MARKET

Some of Allied's current development projects could be impacted by changes in condominium markets. These include changes in general and local economic and industry conditions, such as employment levels, availability of financing for homebuyers, interest rates, consumer confidence, levels of new and existing homes for sale, demographic trends and housing demand.

FINANCIAL RISKS AND RISK MANAGEMENT

FINANCING AND INTEREST RATE RISK

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

Interest rates on debt for mortgages payable, promissory note payable, unsecured debentures and unsecured term loans are between 1.00% and 4.87% with a weighted average contractual interest rate of 3.10%. The weighted average term of our debt (excluding construction loans and the unsecured revolving credit facility) is 4.8 years.

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.

ACCESS TO CAPITAL

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.

AVAILABILITY OF CASH FLOW AND DISTRIBUTIONS

There can be no assurance that Allied will maintain or increase its distribution levels in the future. Distributions are made at the discretion of the Trustees based on many factors, including provisions of the Declaration of Trust, macroeconomic and industry specific environments, the overall financial condition of Allied, future capital requirements, debt covenants, and taxable income. 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. The market value of the Units may be negatively impacted if Allied is unable to maintain its distribution levels in the future.

MORTGAGE PAYMENTS

Approximately 76.1% 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 operating and acquisition credit facilities, on renewal or otherwise, could result in significant changes in the amount required to be applied to debt service and, as a result, reduce the amount of cash available for distribution to Unitholders. Certain covenants in the Mortgages and credit facilities may also limit payments by Allied to its Unitholders. If Allied becomes unable to pay its debt service charges or otherwise commits an event of default, the rights of its lenders will rank senior to any rights of Unitholders.

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 top-10 users is 16.8% of rental revenue and the credit quality of our top-10 users continues to improve.

As Allied has invested in mortgages to third parties to facilitate acquisitions, further credit risks arise in the event that borrowers default on the repayment of their mortgages to Allied. Allied's mortgage investments will typically be subordinate to prior ranking mortgage or charges. Not all of Allied's financing activities will translate into acquisitions. As at December 31, 2022, Allied had \$432,032,000 in loans receivable, the majority of which is loaned to affiliates of a single private company. In the event of a large commercial real estate market correction, the fair market value of an underlying property may be unable to support the mortgage investment. Allied mitigates this risk by obtaining corporate guarantees and/or registered mortgage charges.

UNIT PRICE RISK

Unit price risk arises from the unit-based compensation liabilities which are recorded at fair value at each quarter-end date. Allied's unit-based compensation liabilities negatively impact operating income when the Unit price rises and positively impact operating income when the Unit price declines.

POTENTIAL VOLATILITY OF UNIT PRICES

Allied is an unincorporated trust and its Units are listed on the TSX. A publicly-traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. The prices at which the Units will trade cannot be predicted and could be subject to significant fluctuations in response to variations in quarterly operating results, distributions, and other factors beyond the control of Allied such as changes or uncertainty regarding global economic conditions, including but not limited to those caused by the occurrence of a natural disaster, a public health emergency or other force majeure event. The annual yield on the Units as compared to the annual yield on other financial instruments may also influence the price of the Units in the public trading markets. In addition, securities markets may experience significant price and volume fluctuations from time to time that are unrelated or disproportionate to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the Units.

DILUTION

Allied may, in its sole discretion, issue additional Units, or securities convertible or exchangeable into Units, from time to time, and the voting power and/or economic interest of Unitholders may be diluted thereby. Allied cannot predict the size or nature of future sales or issuances of securities, or the effect, if any, that such future sales and issuances will have on the market price of the Units.

OTHER RISKS

COVID-19 RISK

As a result of the continuously evolving circumstances surrounding the COVID-19 pandemic, uncertainty remains with respect to Allied's revised internal forecast, the most significant being the fact that it cannot predict how consumers, users and governments will respond during the transition to a fully reopened economy. In addition, Allied cannot predict the extent and severity of the economic disruption and related financial impact flowing from the global pandemic.

The global pandemic could have adverse consequences on Allied including, but not limited to, business continuity interruptions, disruptions and costs of development activities, unfavorable market conditions, and threats to the health and safety of employees. Allied's users may also face business challenges as a result of the pandemic that may adversely affect their business and their ability to pay rent as required under the leases. Allied has afforded rent deferrals to certain users. There can be no assurance that deferred rents will be collected in accordance with deferral arrangements or at all. Any inability to collect rents in a timely manner or at all could adversely affect Allied's business and financial results.

Certain of the materials and products used in the development of Allied's Properties Under Development are sourced from third-party suppliers and manufacturers in China and elsewhere. The COVID-19 pandemic has resulted in the extended shutdown of certain businesses across the world which may in turn result in disruptions or delays to the supply of such materials and products including disruptions from the temporary closure of third-party supplier and manufacturer facilities and interruptions in product supply. Any disruption of Allied's suppliers and their contract manufacturers may have an impact on the planned development of Allied's Properties Under Development and related timelines.

In response to the pandemic, Allied has developed and implemented a plan to monitor and mitigate risks posed to its employees, users and business. Allied's plan is guided by local public health authorities and governments in each of its markets. Allied continues to closely monitor business operations and may take further actions that respond to directives of governments and public health authorities or that are in the best interests of employees, users, suppliers or other stakeholders, as necessary.

However, no such plan can eliminate the risks associated with events of this magnitude, and much of the impacts will be the result of matters beyond Allied's control. There can be no assurance that the measures undertaken to date will eliminate the risk of disruption to Allied's business operations and development activity, and there can be no assurance that Allied's users will be able to maintain their business operations and continue to be able to pay rent in full, on a timely basis or at all. Such events could materially adversely affect Allied's operations, reputation and financial condition, including the fair value of Allied's properties.

The global pandemic has caused an economic slowdown and increased volatility in financial markets, which has negatively impacted the market price for the equity securities of Allied. Governments and central banks have responded with monetary and fiscal interventions intended to stabilize economic conditions. However, it is not currently known how these interventions will impact debt and equity markets or the economy generally. Although the impact of COVID-19, and its duration, on the global economy remains uncertain, disruptions caused by COVID-19 may materially adversely affect Allied's users, the debt and equity markets and Allied's operations and financial performance. It could also potentially affect Allied's current credit ratings, total return and distributions. Even after the COVID-19 pandemic has subsided, Allied may experience material adverse impacts to its business as a result of the global economy as well as lingering effects on Allied's employees, suppliers, third-party service providers and/or users.

GENERAL ECONOMIC CONDITIONS

Allied may be affected by changes in general economic conditions (such as inflation and the availability and cost of credit), local real estate markets (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, competition from other available premises, including new developments, and various other factors. Property valuations may be impacted by inflation and interest rate risk. The global economy may face increasing uncertainty due to acts of nature, including the COVID-19 global pandemic, trade protectionism, disputes and political events around the world, which could potentially impact Canadian trade and the Canadian economy at large. This could have an impact on the markets in which Allied operates and in turn could have an adverse effect on Allied.

GENERAL UNINSURED LOSSES

Allied carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Allied will have insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements, and will continue to carry such insurance if it is economical to do so. Should an uninsured or underinsured loss occur, Allied could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but Allied would continue to be obliged to repay any recourse mortgage indebtedness on such properties.

ENVIRONMENTAL AND CLIMATE CHANGE RISK

As an owner of real estate, Allied is subject to various federal, provincial and municipal laws relating to environmental matters. Allied will make the necessary capital and operating expenditures to ensure compliance with environmental laws and regulations.

Such laws provide that Allied could be liable for the costs of removal of certain hazardous substances, remediation of certain hazardous locations or other environmental impacts. The failure to remove or remediate such substances, locations or environmental impacts, if any, could adversely affect Allied's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against Allied. Allied is not aware of any material non-compliance with environmental laws at any of the properties. Allied is also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of the properties or any pending or threatened claims relating to environmental conditions at the properties.

Climate change could pose significant environmental, social and business risks. If environmental laws and regulations change, Allied could be subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on Allied's business, financial condition or results of operation. It is Allied's operating policy to obtain a Phase I environmental assessment conducted by an independent and experienced environmental consultant prior to acquiring a property. Phase I environmental assessments have been performed in respect of all properties. Allied is committed to evaluating potential impacts to its business on an ongoing basis and to making investments to mitigate potential identified impacts.

Physical risks from climate change that may result in damage to Allied's properties may include natural disasters and severe weather, such as floods, blizzards and rising temperatures. The extent of Allied's casualty losses and loss in operating income in connection with such events is a function of the severity of the event and the total amount of exposure in the affected area. Allied is also exposed to risks associated with inclement winter weather, including increased need for maintenance and repair of its buildings. In addition, the physical impacts from climate change, including changing weather patterns, could have effects on Allied's business by increasing the cost of property insurance, and/or energy at its properties. As a result, the consequences of natural disasters, severe weather and climate change could increase Allied's costs and reduce Allied's cash flow. Allied is evaluating all of its assets to understand how the physical risks from climate change could impact the portfolio and is taking a proactive and precautionary approach to mitigate potential impacts.

Although there can be no assurances, Allied does not believe that costs relating to environmental matters will have a material adverse effect on Allied's business, financial condition or results of operation.

TAXATION RISK

Allied is a mutual fund trust as defined in the Tax Act. The Tax Act contains restrictions relating to the activities and the investments permitted by a mutual fund trust and, if Allied failed to adhere to these restrictions, adverse tax consequences would arise.

On June 22, 2007, specified investment flow through trusts or partnerships ("*SIFT*") rules were introduced and changed the manner in which certain trusts are taxed. Certain distributions from a SIFT would not be deductible in computing the SIFT's taxable income and therefore the distributions would be subject to trust entity level tax, at the general tax rate applicable to Canadian corporations. Trusts that meet the REIT exemption are not subject to SIFT rules. The determination as to whether Allied qualifies for the REIT exemption in a particular taxation year can only be made with certainty at the end of that taxation year. Asset tests need to be met at all times in the taxation year and revenue tests need to be met for the taxation year. While there is uncertainty surrounding the interpretation of the relevant provisions of the REIT exemption and application of SIFT rules, Allied expects that it will qualify for the REIT exemption.

In the event that the SIFT rules apply to Allied, the impact to Unitholders will depend on the status of the holder and, in part, on the amount of income distributed which would not be deductible by Allied in computing its income in a particular year and what portions of Allied's distributions constitute "non-portfolio earnings", other income and return of capital.

CYBERSECURITY RISK

The efficient operation of Allied's business is dependent on computer hardware and software systems. Information systems are vulnerable to cybersecurity incidents. A cybersecurity incident is considered to be any material adverse event that threatens the confidentiality, integrity or availability of Allied's information resources. A cybersecurity incident is an intentional attack or an unintentional event including, but not limited to, malicious software, attempts to gain unauthorized access to data or information systems, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. Allied's primary risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to its reputation, damage to its business relationships with users, the disclosure of confidential information including personally identifiable information, potential liability to third parties, loss of revenue, additional regulatory scrutiny and fines, as well as litigation and other costs and expenses. Allied undertakes regular internal and external assessments of its information security posture, including annual third-party penetration testing and ongoing third-party assessment of Allied's information technology footprint. Allied has adopted ISO 27001:2013 as a guiding framework for its portfolio and has obtained ISO 27001 certification and a SOC 2 Type 2 audit report for its UDC portfolio. For information stored with or processed by third parties, Allied undertakes due diligence prior to working with them and uses contractual means to ensure compliance to standards set by Allied. Allied's employees complete information security training every four months and an external Information Technology General Controls audit is completed annually. Additionally, Allied monitors and assesses risks surrounding collection, usage, storage, protection, and retention/destruction practices of personal data. Allied also maintains information security risk insurance coverage. Since inception, Allied has not experienced an unauthorized intrusion or infiltration of its systems that has resulted in a data breach. These measures, as well as Allied's increased awareness of a risk of a cyber incident, do not guarantee that its financial results will not be negatively impacted by such an incident.

CHANGES IN LEGISLATION AND INVESTMENT ELIGIBILITY

There can be no assurance that income tax laws (or the judicial interpretation thereof or the administrative and/or assessing practices of the Canada Revenue Agency) and/or the treatment of mutual fund trusts will not be changed in a manner which adversely affects Unitholders. Allied will endeavour to ensure that the Units continue to be qualified investments for registered retirement savings plans, deferred profit sharing plans, registered retirement income funds, registered education savings plans, registered disability savings plans and tax-free savings accounts. Units will cease to be qualified investments for registered retirement savings plans, deferred profit sharing plans, registered retirement income funds, registered education savings plans, registered disability savings plans and tax-free savings accounts if the Units were no longer listed on a stock exchange that, for the purposes of the Tax Act, is a designated stock exchange (which includes the TSX) and Allied no longer qualified as a mutual fund trust or as a registered investment. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

ABSENCE OF SHAREHOLDER RIGHTS

Unitholders do not have all of the statutory rights normally associated with ownership of shares of a company. On May 12, 2016, Allied amended the Declaration of Trust to include certain rights, remedies and procedures in favour of Unitholders consistent, to the extent possible, with those available to shareholders of a corporation pursuant to the *Canada Business Corporations Act*, as further described in Allied's Management Information Circular dated April 11, 2016. The rights granted in the Declaration of Trust are granted as contractual rights afforded to Unitholders (rather than as statutory rights). Similar to other existing rights contained in Allied's Declaration of Trust (i.e., the take-over bid provisions and conflict of interest provisions), making these rights and remedies and certain procedures available by contract is structurally different from the manner in which the equivalent rights and remedies or procedures (including the procedure for enforcing such remedies) are made available to shareholders of a corporation, who benefit from those rights and remedies or procedures by the corporate statute that governs the corporation, such as the *Canada Business Corporations Act*. As such, there is no certainty how these rights, remedies or procedures may be treated by the courts in the non-corporate context or that a Unitholder will be able to enforce the rights and remedies in the manner contemplated by the amendments. Furthermore, how the courts will treat these rights, remedies and procedures will be in the discretion of the court, and the courts may choose to not accept jurisdiction to consider any claim contemplated in the provisions.

The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that Act or any other legislation. Furthermore, Allied is not a trust company and, accordingly, it is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

UNITHOLDER LIABILITY

On December 16, 2004, the Province of Ontario proclaimed the *Trust Beneficiaries Liability Act* (Ontario) in force. This legislation provides that beneficiaries of Ontario based income trusts are not liable, as beneficiaries, for any act, default, obligation or liability of the income trust. Unitholders of Allied will have the benefit of this legislation with respect to liabilities arising on or after December 16, 2004. This legislation has not been subject to interpretation by courts in the Province of Ontario or elsewhere.

Management's Discussion and Analysis of Results of Operations and Financial Condition

Management's Discussion and Analysis of Results of Operations and Financial Condition of Allied as at December 31, 2022, as filed on SEDAR at www.sedar.com, is incorporated by reference herein.

Management of Allied

TRUSTEES

The Declaration of Trust provides that the assets and operations of Allied are subject to the control and authority of between seven and thirteen Trustees. There are currently ten Trustees. The number of Trustees may be changed by the Trust Unitholders or, if authorized by the Trust Unitholders, by the Trustees, provided that the Trustees may not, between meetings of Trust Unitholders, appoint an additional Trustee if, after such appointment, the total number of Trustees would be greater than one and one-third times the number of Trustees in office immediately following the last annual meeting of Trust Unitholders. The Trustees have been authorized by the Trust Unitholders to increase the number of Trustees from time to time within the foregoing limit. A vacancy occurring among the Trustees may be filled by resolution of the remaining Trustees or by the Trust Unitholders at a meeting of the Trust Unitholders.

The Trustees are to be elected by resolution passed by a majority of the votes cast at a meeting of the Trust Unitholders. Trustees elected at an annual meeting will be elected for terms expiring at the next annual meeting and will be eligible for re-election. A Trustee elected to fill a vacancy will be elected for the remaining term of the Trustee he or she is succeeding. The Declaration of Trust requires advance notice be given to Allied of Trust Unitholder proposals for the nomination of Trustees at least 30 days prior to the date of the applicable annual meeting. The Declaration of Trust contains additional provisions to the following effect with respect to Trustees: (i) a majority of the Trustees must be resident in Canada and must be Independent Trustees; and (ii) a Trustee may be removed with or without cause by a majority of the votes cast at a meeting of Trust Unitholders or with cause by two-thirds of the remaining Trustees.

The standard of care and duties of the Trustees provided in the Declaration of Trust are similar to those imposed on a director of a corporation governed by the *Canada Business Corporations Act*. Accordingly, each Trustee is required to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of Allied and the Trust Unitholders and, in connection therewith, to exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

CONFLICT OF INTEREST RESTRICTIONS AND PROVISIONS

The Declaration of Trust contains “conflict of interest” provisions that serve to protect Trust Unitholders without creating undue limitations on Allied. Given that the Trustees are engaged in a wide range of real estate and other activities, the Declaration of Trust contains provisions, similar to those contained in the *Canada Business Corporations Act*, that require each Trustee to disclose to Allied any interest in a material contract or transaction or proposed material contract or transaction with Allied (including a contract or transaction involving the making or disposition of any investment in real property or a joint venture arrangement) or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with Allied. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. In the event that a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Trustees, a Trustee is required to disclose in writing to Allied or request to have entered into the minutes of meetings of Trustees the nature and extent of his or her interest forthwith after the Trustee becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to his or her remuneration as a Trustee, officer, employee or agent of Allied or one for indemnity under the provisions of the Declaration of Trust or liability insurance.

INDEPENDENT TRUSTEE MATTERS

In addition to any other approvals, the approval of a majority of the Independent Trustees is required in order for the following matters involving a potential conflict of interest to become effective: (i) the acquisition of real property or an investment in real property in which any Related Party has any direct or indirect interest; (ii) to waive the application of the Rights Plan to any flip-in event (as such term is defined in the Rights Plan); and (iii) any matter involving Allied in which a Related Party has an interest.

TRUSTEES AND OFFICERS

The name and municipality of residence, office held with Allied and principal occupation of each Trustee and executive officer of Allied as at the date hereof are as follows:

NAME AND MUNICIPALITY OF RESIDENCE	POSITION WITH ALLIED	TRUSTEE SINCE	PRINCIPAL OCCUPATION
Matthew Andrade ⁽¹⁾⁽³⁾ Calgary, Alberta	Trustee	2022	Managing Director, Public Investments, Werklund Family Office
Kay Brekken ⁽¹⁾⁽²⁾⁽³⁾ Whistler, British Columbia	Trustee	2021	Corporate Director
Thomas G. Burns Toronto, Ontario	Executive Vice President and Chief Operating Officer	-	Executive Vice President and Chief Operating Officer of Allied
Hugh Clark Toronto, Ontario	Executive Vice President, Development	-	Executive Vice President, Development of Allied
Hazel Claxton ⁽²⁾⁽³⁾ Toronto, Ontario	Trustee	2022	Corporate Director
Gerald R. Connor ⁽¹⁾⁽³⁾ Toronto, Ontario	Trustee	2002	Chairman, Cumberland Private Wealth Management Inc. (discretionary money manager)
Lois Cormack ⁽¹⁾⁽²⁾⁽³⁾ Bradford, Ontario	Trustee	2018	Chief Executive Officer, Spring Living Retirement Communities
Gordon R. Cunningham ⁽²⁾⁽³⁾ Toronto, Ontario	Trustee and Chair	2002	Corporate Director
Michael R. Emory Toronto, Ontario	Trustee, President and Chief Executive Officer	2002	President and Chief Executive Officer of Allied
Antonia Rossi ⁽²⁾⁽³⁾ Toronto, Ontario	Trustee	2022	President, Real Estate, Infrastructure Ontario
Stephen Sender ⁽¹⁾⁽³⁾ Thornhill, Ontario	Trustee	2020	Corporate Director
Jennifer Tory ⁽²⁾⁽³⁾ Toronto, Ontario	Trustee	2020	Corporate Director
Cecilia C. Williams Toronto, Ontario	Executive Vice President and Chief Financial Officer	-	Executive Vice President and Chief Financial Officer of Allied

(1) Member of the Audit Committee

(2) Member of the Governance, Compensation and Nomination Committee

(3) Independent Trustee

All Trustees of Allied serve until the next annual meeting of Trust Unitholders or until such Trustee's successor is duly elected or appointed. To the knowledge of Allied, as at the date hereof, the Trustees and executive officers of Allied beneficially owned, directly or indirectly, or had control or direction over 1,976,943 Units, representing approximately 1.55% of the outstanding Units.

Additional information regarding the Trustees and executive officers of Allied listed above is set forth below.

MATTHEW ANDRADE

Mr. Andrade is the Managing Director, Public Investments at Werklund Family Office, a single family office based in Calgary, Alberta. Prior to that, he was the Chief Investment Officer at Canadian Family Futures Inc., Director, Investment Analysis at Kinnear Financial Ltd. and Vice President, Mergers & Acquisitions at Ernst & Young Orenda Corporate Finance. Mr. Andrade previously served as a director and the Chair of the Governance and Compensation Committee of Stampede Drilling Inc. He also previously served as President of the CFA Society Calgary and as Chair of the CFA Institute Disciplinary Review Committee. Mr. Andrade holds a B.Comm (Honours) degree from Mount Allison University and received his Chartered Financial Analyst designation in 2004.

KAY BREKKEN

Ms. Brekken is a Corporate Director with over 25 years of North American financial leadership experience in a broad range of industries including real estate, retail, healthcare and financial services. Until her retirement, she was Executive Vice President and Chief Financial Officer of First Capital Real Estate Investment Trust (2014 to 2021). Prior to that she was the Executive Vice President and Chief Financial Officer of Indigo Books & Music, Inc. Ms. Brekken serves on the boards of RATESDOTCA Group Ltd. and the Rotman School of Management CFO Leadership Program. She holds a Bachelor of Business Administration from the University of Minnesota, a Master of Business Administration from the University of Washington and is a Certified Public Accountant.

THOMAS G. BURNS

Mr. Burns is the Executive Vice President and Chief Operating Officer of Allied. From January 2011 until December 2011, he was Executive Vice President, Operations and Leasing of Allied. He was formerly Senior Vice President, Retail at DTZ Barnicke, as well as a member of DTZ's Global Management Committee. During Mr. Burns' 35 year career, he has distinguished himself in the Canadian Real Estate community in both the leasing of retail space and consulting on the repositioning of existing retail properties. He is a Business Administration graduate of Algonquin College specializing in Real Estate.

HUGH CLARK

Mr. Clark is the Executive Vice President, Development of Allied and is responsible for overseeing value creation projects. He was formally an architect for an award-winning architectural firm in Toronto, and has worked as a licensed architect in both Ontario and Massachusetts. He is a graduate of the University of Toronto and Harvard University.

HAZEL CLAXTON

Ms. Claxton is a corporate director. She served as Executive Vice-President and Chief Human Resources Officer with Morneau Shepell Inc. (now LifeWorks Inc.) from 2013 to 2018. Prior to that, she spent 29 years at PwC Canada, where she held several leadership roles, including Canadian Leadership Group member, Human Capital leader, and Partner within the Corporate Advisory and Restructuring Group, an area she practiced in for 20 years. Ms. Claxton currently serves on the boards of TELUS Corporation, the University Pension Plan Ontario and Unity Health Toronto. Previously, she served on the boards of Queen's University, St. Michael's Hospital and the Shaw Festival Theatre. Ms. Claxton holds a Bachelor of Commerce (Honours) from Queen's University and the ICD.D designation from the Institute of Corporate Directors. She is a Chartered Professional Accountant and Chartered Accountant.

GERALD R. CONNOR

Mr. Connor is the Chairman and Founder of Cumberland Private Wealth Management Inc., which currently manages assets in excess of \$3.0 billion for primarily high net worth investors. Prior to founding Cumberland Private Wealth Management Inc. in 1997, Mr. Connor was President of Connor, Clark & Company Ltd. (1977 to 1997) and Chairman of the board of directors of Connor, Clark & Lunn Investment Management. Mr. Connor has over 50 years of investment experience.

LOIS CORMACK

Ms. Cormack is the Chief Executive Officer of Spring Living Retirement Communities and is the President of Bonterre Inc., an advisory services company in the senior living, real estate, hospitality and health care services sectors. Prior to founding Bonterre, she was the President and Chief Executive Officer and a director of Sienna Senior Living Inc. from 2013 until 2020, having led the company through significant growth and transformation. Previously, Ms. Cormack was President of Specialty Care, a mid-sized seniors living company. Her background also includes a management consulting practice and other senior executive roles in the health care and senior living sectors. She is a member of the advisory board of Kyto Technology & Life Sciences, Inc. and previously served on the Board of Governors of Seneca College, as a director of Medical Facilities Corporation and as Chair of the Board of the Ontario Long Term Care Association. Ms. Cormack holds a Masters of Health Administration from the University of Toronto and is a graduate of the Ivey Executive Program at the University of Western Ontario and the ICD-Rotman Directors Education Program.

GORDON R. CUNNINGHAM

Mr. Cunningham is a Corporate Director and the Chair of Allied. Positions Mr. Cunningham has previously held include President and Chief Executive Officer of London Insurance Group and London Life Insurance Company and Vice Chairman of Cumberland Private Wealth Management Inc. Mr. Cunningham was formerly a partner at the law firm of Torys.

MICHAEL R. EMORY

Mr. Emory is the President and Chief Executive Officer and a trustee of Allied. He has been continuously active in the commercial real estate business since 1988. Prior thereto, Mr. Emory was a partner with the law firm of Aird & Berlis LLP, specializing in corporate and real estate finance. Mr. Emory is a Director of Equitable Group Inc. and Equitable Bank.

ANTONIA ROSSI

Ms. Rossi is the President, Real Estate of Infrastructure Ontario where she leads the Province of Ontario Real Estate Portfolio (one of the largest in Canada) and has served as Infrastructure Ontario's Interim President and Chief Executive Officer. Previously, she was President of its Lending Division and a key member of the Executive Team merging the Ontario Realty Corp and Infrastructure Ontario in 2012. Prior to joining Infrastructure Ontario, Ms. Rossi was with Oxford Properties and Cadillac Fairview and has more than 30 years of experience as a real estate professional. She is a director of Dexterra Group Inc. and also serves on the Board of Governors of North York General Hospital. Previously she served as the Chair of REALPAC and Habitat for Humanity (HFH) Toronto and as a director of HFH Canada. Ms. Rossi holds a BPHE from the University of Toronto and the ICD.D designation from the Institute of Corporate Directors.

STEPHEN SENDER

Mr. Sender has over 30 years of experience in the investment banking industry in Canada and was Managing Director, Industry Head - Real Estate in Scotiabank's Global Banking and Markets division representing the bank's capital markets activities in the Canadian real estate industry. From the early 1990's, he specialized in the Canadian real estate sector, providing investment banking advice to numerous public entities with respect to capital markets activities. Mr. Sender was directly involved in raising equity and debt capital in a large number of transactions and has provided financial advice in numerous large transactions including mergers, takeovers and related party transactions. He has been a frequent moderator/speaker at conferences in Canada focusing on capital markets developments in the real estate sector. Mr. Sender is a director and Chair of the Audit Committee of Sienna Senior Living Inc. Mr. Sender holds a B.Comm. (Honours) degree from the University of Cape Town and qualified as a C.A. (S.A.) in 1984.

JENNIFER TORY

Ms. Tory retired in December 2019 as RBC's Chief Administrative Officer (CAO), reporting to the CEO, where she held responsibility for Brand, Marketing, Citizenship, Communications, Procurement and Real Estate functions globally. Additionally, she provided leadership and oversight of transformational initiatives. Along with other members of Group Executive, Ms. Tory was responsible for setting the overall strategic direction of RBC. Prior to her CAO role, she was Group Head, Personal & Commercial Banking leading RBC's banking businesses in Canada and the Caribbean. Ms. Tory has extensive experience in leading large businesses and teams, driving results, leading change, and developing diverse talent. She currently sits on the boards of BCE Inc. and the Sunnybrook Hospital Foundation. She recently completed 10 years on the board of the Toronto International Film Festival, the past five years as Chair. In December of 2019, Ms. Tory was appointed as a member of the Order of Canada. She completed her ICD.D designation through the Institute of Corporate Directors at the Rotman School of Management.

CECILIA C. WILLIAMS

Ms. Williams is Chief Financial Officer and Executive Vice President of Allied. She began her career at Arthur Andersen, where she obtained her Chartered Professional Accountant designation in 2001 while working in the assurance and valuation practices. Ms. Williams continued her career development through progressively more senior financial and planning positions at Magna International, Canwest Broadcasting/Shaw Media and Dream Unlimited. She is a graduate of the University of Toronto.

INVESTMENT COMMITTEE

The Declaration of Trust provides that the Trustees may from time to time appoint from among their number an Investment Committee consisting of at least three Trustees (the “**Investment Committee**”). A majority of the members of the Investment Committee must be Independent Trustees.

The Declaration of Trust provides that the Investment Committee shall have the power, to the extent delegated from the Trustees, to approve or reject proposed acquisitions and dispositions of investments by Allied, to authorize proposed transactions on behalf of Allied and to approve all borrowings and the assumption or granting of any mortgage. As of the date hereof, the Trustees have not appointed an Investment Committee but may do so in the future.

GOVERNANCE, COMPENSATION AND NOMINATION COMMITTEE

The Declaration of Trust requires the creation of a Governance, Compensation and Nomination Committee, consisting of at least three Trustees, to develop and monitor Allied’s approach to matters of governance, to the compensation of officers of Allied and to the nomination of Trustees for election by Unitholders. A majority of the members of the Governance, Compensation and Nomination Committee must be Independent Trustees. The Trustees have appointed Gordon R. Cunningham (Chair), Kay Brekken, Hazel Claxton, Lois Cormack, Antonia Rossi and Jennifer Tory, all of whom are independent, to the Governance, Compensation and Nomination Committee.

AUDIT COMMITTEE

The Declaration of Trust requires the creation of an Audit Committee, consisting of at least three Trustees, to monitor Allied's system of financial controls, to evaluate and report on the integrity of the financial statements of Allied, to enhance the independence of Allied's external auditor and to oversee the financial reporting process of Allied. A copy of the mandate of the Audit Committee is attached to this Annual Information Form as Exhibit A. All of the members of the Audit Committee are financially literate and independent (as those terms are defined in National Instrument 52-110 *Audit Committees*). The Trustees have appointed an Audit Committee consisting of five Trustees, namely, Gerald R. Connor (Chair), Matthew Andrade, Kay Brekken, Lois Cormack and Stephen Sender. In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is as follows: Mr. Connor is Chairman of Cumberland Private Wealth Management Inc. Prior to founding Cumberland Private Wealth Management Inc., Mr. Connor was President of Connor, Clark and Company Ltd. (1977 to 1997). Mr. Connor has over 50 years of investment experience. Mr. Andrade is the Managing Director, Public Investments at Werklund Family Office, a single family office based in Calgary, Alberta. Prior to that, he was the Chief Investment Officer at Canadian Family Futures Inc., Director, Investment Analysis at Kinnear Financial Ltd. and Vice President, Mergers & Acquisitions at Ernst & Young Orenda Corporate Finance. Mr. Andrade holds a B.Comm (Honours) degree from Mount Allison University and received his Chartered Financial Analyst designation in 2004. Ms. Brekken has over 25 years of North American financial leadership experience in a broad range of industries including real estate, retail, healthcare and financial services. Until her retirement, she was Executive Vice President and Chief Financial Officer of First Capital Real Estate Investment Trust (2014 to 2021). Prior to that she was the Executive Vice President and Chief Financial Officer of Indigo Books & Music, Inc. She holds a Bachelor of Business Administration from the University of Minnesota, a Master of Business Administration from the University of Washington and is a Certified Public Accountant. Ms. Cormack was the President and Chief Executive Officer and a director of Sienna Senior Living Inc. from 2013 to 2020, and has more than 30 years of experience as an executive in the senior living, real estate and health care sector. She previously served on the Board of Governors of Seneca College and as Chair of the finance administration committee. Mr. Sender has over 30 years of experience in the investment banking industry in Canada and was Managing Director, Industry Head - Real Estate in Scotiabank's Global Banking and Markets division representing the bank's capital markets activities in the Canadian real estate industry. Mr. Sender was directly involved in raising equity and debt capital in a large number of transactions and has provided financial advice in numerous large transactions including mergers, takeovers and related party transactions. Mr. Sender is a director and Chair of the Audit Committee of Sienna Senior Living Inc. Mr. Sender holds a B.Comm. (Honours) degree from the University of Cape Town and qualified as a C.A. (S.A.) in 1984.

The Audit Committee pre-approves non-audit services to be provided by the auditor on an annual basis. Authority to approve additional non-audit services is delegated to the Chair of the Audit Committee.

Investment Guidelines and Operating Policies

INVESTMENT GUIDELINES

The Declaration of Trust provides for certain guidelines on investments that may be made by Allied. The assets of Allied may be invested only in accordance with the following guidelines:

- a. Allied may invest in interests (including fee ownership and leasehold interests) in income producing office, retail and residential properties and Properties Under Development in Canada;
- b. Allied shall not make any investment, engage in any activity, take any action or omit to take any action that would result in Units not being units of a “mutual fund trust” within the meaning of the Tax Act, that would result in Units being disqualified for investment by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, tax free savings accounts, registered disability savings plans, or registered education savings plans, or that would cause Allied not to qualify as a unit trust or a real estate investment trust for purposes of the Tax Act or that would result in Allied being liable under the Tax Act to pay a tax under the registered investment provisions of the Tax Act or as a SIFT Trust as that term is defined in the Tax Act;
- c. Allied may invest in joint venture, partnership or co-ownership arrangements (a “joint venture arrangement”) only if:
 - i. the joint venture arrangement is one pursuant to which Allied holds an interest in real property jointly or in common with others (“joint venturers”) either directly or through a partnership or the ownership of securities of a corporation (a “joint venture entity”);
 - ii. Allied’s interest in the joint venture arrangement, and the joint venture arrangement’s interest in the particular real property or properties, is not subject to any restriction on transfer other than rights to purchase, if any, in favour of the joint venturers, restrictions, if any, on the nature and/or identity of the potential transferees and a requirement that the transferee enter into an assumption agreement;

- iii. Allied has a right to purchase the interests of the other joint venturers which right may be subject to restrictions and/or limitations;
 - iv. the joint venture arrangement may provide for an appropriate buy-sell mechanism to enable a joint venturer to purchase the interest of the other joint venturer or to sell its interest;
 - v. the joint venture arrangement provides that the liability of Allied to third parties is several and not joint and several (and contains an express disavowal of Trustee and Trust Unitholder liability); provided, however, that Allied may provide guarantees of the obligations of the other joint venturers to third parties if Allied has remedies against the other joint venturers and also provided a joint venturer may be required to give up its interest in any particular joint venture property as a result of another joint venturer's failure to honour its proportionate share of the obligations relating to such property;
 - vi. the joint venture arrangement is approved by a majority of the Independent Trustees or, if the number of Independent Trustees is less than three, by all the Independent Trustees; and
 - vii. Allied receives an opinion from counsel to the effect that Allied is not exposed to any additional or unusual liabilities as a result of the joint venture arrangement; provided that, notwithstanding the foregoing, Allied may from time to time enter into any joint venture arrangement which does not comply with any of subparagraphs (ii), (iii) or (iv) above if the Trustees determine that the investment is desirable for Allied and otherwise complies with the investment restrictions, investment guidelines and operating policies established in accordance with the Declaration of Trust and in effect at such time;
- d. Allied shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term "hedging" shall have the meaning ascribed thereto by National Instrument 81-102 *Investment Funds*, as amended from time to time, and any successor law or instrument;
 - e. except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province or of Canada, short-term government debt securities, or money market instruments of, or guaranteed by, a Schedule I Canadian bank maturing within one year from the date of issue or except as permitted pursuant to paragraphs (c), (d), (i), (j) and (k) of this section, Allied shall not hold securities of another issuer unless either (i) such securities derive their value, directly or indirectly, principally from real property, or (ii) the principal business of the issuer of the securities is the ownership or operation, directly or indirectly, of real property, or (iii) shares of a corporation which carries on a business which is ancillary or incidental to an income producing office property in Canada in which Allied holds an interest (in each case as determined by the Trustees);
 - f. Allied shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;

- g. Allied shall not invest in raw land except raw land:
 - i. which is ancillary to property which Allied is otherwise permitted to purchase or already owns; or
 - ii. for the purpose of developing new properties which will be or are expected to be upon completion income producing;
- h. the aggregate amount of the acquisition costs of all Properties Under Development and the development costs of all Properties Under Development will not exceed 15% of the Gross Book Value;
- i. Allied may invest in mortgages if Allied intends to use the acquisition of the mortgages as a method of acquiring control of an income-producing real property which would otherwise comply with the investment restrictions, investment guidelines and operating policies established in accordance with the Declaration of Trust and in effect at such time and provided the aggregate book value of the investments of Allied in these mortgages, after giving effect to the proposed investment, will not exceed 20% of the Adjusted Unitholders' Equity;
- j. Allied shall not invest in or acquire securities of a Canadian real estate investment trust unless:
 - i. the activities of the real estate investment trust are focused on acquiring, holding, maintaining, improving, leasing or managing primarily income-producing real properties; and
 - ii. in the case of any proposed investment or acquisition which would result in Allied owning beneficially more than 10% of the outstanding units of such real estate investment trust (the "acquired trust"), the investment is made for the purpose of subsequently effecting the merger or combination of the operations and assets of Allied and the acquired trust or for otherwise ensuring that Allied will control the undertaking and operations of the acquired trust;
- k. subject to paragraph (b), Allied may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any indebtedness assumed or incurred by Allied and secured by a mortgage on such property) up to 15% of the Adjusted Unitholders' Equity of Allied in investments or transactions which do not comply with paragraphs (a), (c), (e), (g), (i) and (j) of this section or paragraph (d) of the operating policies below;
- l. Allied shall not acquire any interest in a single real property if, after giving effect to the proposed acquisition, the cost to Allied of such acquisition (net of the amount of acquisition debt) will exceed 20% of Allied's Adjusted Unitholders' Equity; and
- m. Allied may invest in interests (including fee ownership and leasehold interests) in income producing office, retail or residential properties and Properties Under Development in the United States.

For the purpose of the foregoing guidelines, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by Allied will be deemed to be those of Allied on a proportionate consolidated basis. In addition, any references in the foregoing to investment in real property will be deemed to include an investment in a joint venture arrangement. Nothing in the guidelines prohibits Allied from holding some or all of the receivables due pursuant to the instalment receipt agreements.

OPERATING POLICIES

The Declaration of Trust provides that the operations and affairs of Allied shall be conducted in accordance with the following policies:

- a. (i) any written instrument creating an obligation which is or includes the granting by Allied of a mortgage, or (ii) to the extent the Trustees determine to be practicable and consistent with their fiduciary duty to act in the best interests of the Trust Unitholders, any written instrument which in the judgment of the Trustees is a material obligation must, in each case, contain a provision or be subject to an acknowledgment to the effect that the obligation being created is not personally binding upon, and that resort will not be had to, nor will recourse or satisfaction be sought from, the private property (including, without limitation, any private property consisting of or arising from a distribution of any kind or nature by Allied) of any of the Trustees, Trust Unitholders, annuitants under a plan of which a Trust Unitholder acts as a trustee or carrier, or officers, employees or agents of Allied, but that only property of Allied or a specific portion thereof will be bound; Allied, however, is not required, subject to having, in the opinion of the Trustees, used all reasonable efforts to comply with this requirement, to comply in respect of obligations assumed by Allied upon the acquisition of real property;
- b. Allied will not lease or sublease to any person any real property, premises or space where that person and its affiliates would, after the contemplated lease or sublease, be leasing or subleasing real property, premises or space having a fair market value net of encumbrances in excess of 20% of the Adjusted Unitholders' Equity of Allied;
- c. the limitation contained in paragraph (b) will not apply where the lessee or sublessee is, or where the lease or sublease is guaranteed by:
 - i. the Government of Canada, the Government of the United States, any province of Canada, any state of the United States, any municipality or city in Canada or the United States, or any agency thereof; or
 - ii. a Canadian chartered bank or its subsidiaries or a life insurance company registered or licensed federally or under the laws of a province of Canada;
- d. Allied may engage in construction or development of real property in order to maintain its real properties in good repair or to expand upon or enhance the income-producing potential of properties in which Allied has an interest;
- e. title to each real property must be held by and registered in the name of Allied, the Trustees, a trustee for Allied or in the name of a corporation or other entity wholly-owned, directly or indirectly, by Allied or, directly or indirectly, by Allied together with joint venturers, partners or co-owners;

- f. Allied will not incur or assume any indebtedness if, after the incurring or assuming of the indebtedness, the total indebtedness of Allied would be more than 60% of the Gross Book Value, excluding convertible debentures (or 65% of the Gross Book Value, including the entire principal amount of indebtedness outstanding pursuant to any convertible debentures, if any such convertible debentures are outstanding). For the purposes of this subsection, “indebtedness” means (without duplication) on a consolidated basis:
- i. any obligation of Allied for borrowed money (including, for greater certainty, the specified amount of convertible debentures, notwithstanding the presentation of such securities in Allied’s financial statements in accordance with IFRS);
 - ii. any obligation of Allied incurred in connection with the acquisition of property;
 - iii. any obligation of Allied issued or assumed as the deferred purchase price for property;
 - iv. any capital lease obligation of Allied; and
 - v. any obligation of a person other than Allied of the type referred to in (i) through (iv) above, the payment of which is guaranteed by Allied or for which Allied is responsible or liable; provided that, for the purposes of paragraphs (i) through (v) above (except as specifically provided with respect to convertible debentures in paragraph (i) above), an obligation will constitute “indebtedness” only to the extent that it would appear as a liability on the consolidated balance sheet of Allied in accordance with IFRS;
- g. unless otherwise approved by a majority of the Trustees, at no time shall the total indebtedness of Allied (other than secured trade payables, accrued expenses and distributions payable): (i) having floating interest rates; or (ii) having maturities of less than one year at the time of incurrence of the debt, exceed an amount equal to 15% of the Gross Book Value of the assets of Allied;
- h. Allied will not directly or indirectly guarantee any indebtedness or liabilities of any person unless such guarantee is given in connection with or incidental to an investment that is otherwise permitted under the investment guidelines above;
- i. Allied shall obtain an independent appraisal of each property that it acquires;
- j. Allied shall obtain and maintain at all times insurance coverage in respect of potential liabilities of Allied and the accidental loss of value of the assets of Allied from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties; and
- k. Allied shall obtain a Phase I environmental assessment of each real property to be acquired by it and, if the Phase I environmental assessment report recommends a Phase II environmental assessment be conducted, Allied shall have conducted a Phase II environmental assessment, in each case by an independent and experienced environmental consultant; such assessment as a condition to any acquisition, must be satisfactory to the Trustees.

For the purpose of the foregoing policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by Allied will be deemed to be those of Allied on a proportionate consolidated basis. In addition, any references in the foregoing to investment in real property will be deemed to include an investment in a joint venture arrangement.

AMENDMENTS TO INVESTMENT GUIDELINES AND OPERATING POLICIES

Pursuant to the Declaration of Trust, all of the investment guidelines set out under the heading “Investment Guidelines and Operating Policies – Investment Guidelines” and the operating policies contained in paragraphs (e), (g), (h), (i) and (j) under the heading “Investment Guidelines and Operating Policies – Operating Policies” may be amended only with the approval of at least 66 2/3% of the votes cast by Trust Unitholders of Allied at a meeting of Trust Unitholders called for such purpose. The remaining operating policies may be amended with the approval of a majority of the votes cast by Trust Unitholders at a meeting called for such purpose.

Declaration of Trust and Description of Trust Units

GENERAL

Allied is an unincorporated closed-ended real estate investment trust created pursuant to the Declaration of Trust and governed by the laws of the Province of Ontario.

AUTHORIZED CAPITAL AND OUTSTANDING TRUST UNITS

The Declaration of Trust authorizes the issuance of an unlimited number of two classes of units, namely the Units and Special Voting Units (collectively, the “*Trust Units*”). Special Voting Units are only issued in tandem with the issuance of Exchangeable Securities, including the Exchangeable LP Units. As at December 31, 2022 and the date hereof, Allied has 127,955,983 Units and 11,809,145 Special Voting Units outstanding.

UNITS

Each Unit is transferable and represents an equal undivided beneficial interest in Allied and any distributions from Allied, whether of net income, net taxable capital gains (other than such gains allocated and distributed to redeeming Unitholders) or other amounts and, in the event of the termination or winding-up of Allied, in the net assets of Allied remaining after satisfaction of all liabilities. No Unitholder has or is deemed to have any right of ownership in any of the assets of Allied. All Units rank among themselves equally and ratably without discrimination, preference or priority. Each Unit entitles the holder thereof to receive notice of, to attend and to cast one vote at all meetings of Trust Unitholders or in respect of any written resolution of Trust Unitholders. Fractional Units will not entitle the holders thereof to vote except to the extent they may represent in the aggregate one or more whole Units.

Unitholders are entitled to receive distributions from Allied (whether of net income of Allied, net realized capital gains of Allied or other amounts) if, as and when declared by the Trustees. Upon the termination or winding-up of Allied, Unitholders will participate equally with respect to the distribution of the remaining assets of Allied after payment of all liabilities of Allied. Such distribution may be made in cash, a distribution in kind, or both, all as the Trustees in their sole discretion may approve. Issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees without Unitholder approval. Units have no associated conversion or retraction rights.

SPECIAL VOTING UNITS

Special Voting Units are issued only in tandem with Exchangeable LP Units and are not transferable separately from Exchangeable LP Units. Upon any valid transfer of an Exchangeable LP Unit, the Special Voting Unit issued in tandem with it will automatically be transferred to the transferee of such Exchangeable LP Unit. As Exchangeable LP Units are exchanged for Units or converted, redeemed or cancelled, the corresponding Special Voting Units will be cancelled for no consideration.

Each Special Voting Unit entitles the holder of record thereof to receive notice of, to attend, and to cast one vote at all meetings of Trust Unitholders or in respect of any resolution in writing of Trust Unitholders. Except for the right to attend and vote at meetings of Trust Unitholders or in respect of written resolutions of Trust Unitholders, Special Voting Units do not confer upon the holders thereof any other rights. A Special Voting Unit does not entitle its holder to any economic interest in Allied, or to any interest or share in Allied, any of its distributions (whether of net income of Allied, net taxable capital gains of Allied or other amounts) or in any of its net assets in the event of the termination or winding-up of Allied. Fractional Special Voting Units will not entitle the holders thereof to vote except to the extent they may represent in the aggregate one or more whole Special Voting Units.

LIMITATION ON NON-RESIDENT OWNERSHIP

At no time may non-residents of Canada (within the meaning of the Tax Act) be the beneficial owners of more than 49% of the Units on either a Basic Basis or a Fully-Diluted Basis, and the Trustees shall inform the transfer agent and registrar of Allied of this restriction. The Trustees may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Trustees become aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 49% of the Units on a Basic Basis or a Fully-Diluted Basis are, or may be, non-residents or that such a situation is imminent, the Trustees may make a public announcement thereof and shall not accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration that the person is not a non-resident. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Units on a Basic Basis or a Fully-Diluted Basis are held by non-residents, the transfer agent and registrar may, upon receiving a direction and suitable indemnity from the Trustees, send a notice to non-resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Trustees with satisfactory evidence that they are not non-residents within such period, the transfer agent and registrar, upon receiving a direction from the Trustees, may on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale the affected holders shall cease to be holders of Units and their rights shall be limited to receiving the net proceeds of sale, subject to the right to receive payment of any distribution declared by the Trustees which is unpaid and owing to such Unitholders upon surrender of the certificate representing such Units, if any.

AMENDMENTS TO DECLARATION OF TRUST

Material amendments to the Declaration of Trust are set out below.

On May 3, 2022, Allied amended the Declaration of Trust to increase the maximum number of Trustees from ten to thirteen.

On March 4, 2022, Allied amended the Declaration of Trust to provide for the creation and issuance of special voting units ("*Special Voting Units*"). As a consequence of this amendment, Allied is authorized to issue an unlimited number of Units and an unlimited number of Special Voting Units.

On May 12, 2016, Allied amended the Declaration of Trust: (i) to include certain rights, remedies and procedures in favour of Unitholders consistent, to the extent possible, with those available to shareholders of a corporation pursuant to the *Canada Business Corporations Act*, as reflected in the model declaration of trust provisions prepared by the Canadian Coalition for Good Governance in November 2015; (ii) to clarify the permitted joint venture, partnership and co-ownership arrangements in which Allied may invest to give Allied flexibility in structuring its investments with its joint venture partners; and (iii) to reflect applicable tax legislation.

Price Range and Trading Volume of the Units

VOLUME OF THE UNITS

The Units of Allied are listed on the TSX and are quoted under the symbol “AP.UN”. The following table sets forth, for the periods indicated, the price ranges and trading volumes of the Units on the TSX.

2022	HIGH (\$)	LOW (\$)	VOLUME
January	45.40	41.59	4,885,074
February	45.61	41.84	4,128,345
March	48.89	43.85	6,296,737
April	47.24	41.68	3,685,133
May	41.81	37.00	4,428,510
June	38.96	32.30	4,880,922
July	34.58	32.03	4,392,812
August	34.52	31.35	4,233,900
September	33.05	26.50	7,885,234
October	29.04	26.15	6,224,575
November	27.59	25.00	11,711,723
December	27.63	24.77	7,338,514
2023	HIGH (\$)	LOW (\$)	VOLUME
January 1-30	30.30	25.95	6,989,025

On January 30, 2023, the closing price of the Units on the TSX was \$30.10.

TRUST UNITS SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

UNITS

The following table sets forth, to the knowledge of Allied, the aggregate number of Units of Allied subject to contractual restrictions on transfer pursuant to the restricted unit plan of Allied as at December 31, 2022, and the percentage that number represents of the issued and outstanding Units of Allied as at December 31, 2022.

TOTAL NUMBER OF UNITS SUBJECT TO A CONTRACTUAL RESTRICTION ON TRANSFER	PERCENTAGE OF OUTSTANDING UNITS
322,411 ⁽¹⁾	0.25%

(1) Following is a summary of Units (the “**Restricted Units**”) outstanding under Allied’s restricted unit plan as at December 31, 2022, which may not be sold, mortgaged or otherwise disposed of until the dates noted below:

GRANT DATE	UNITS GRANTED	RESTRICTION REMOVAL DATE
February 22, 2017	64,217	February 22, 2023
February 14, 2018	61,733	February 14, 2024
February 13, 2019	51,858	February 13, 2025
February 5, 2020	46,272	February 5, 2026
March 25, 2020	561	March 25, 2026
July 29, 2020	1,315	July 29, 2026
February 3, 2021	55,103	February 3, 2027
May 10, 2021	773	May 10, 2027
September 13, 2021	2,384	September 13, 2027
February 1, 2022	57,147	February 1, 2028
May 3, 2022	2,674	May 3, 2028
May 24, 2022	1,327	May 24, 2028
Total Restricted Units granted	345,364	
Restricted Units forfeited or released under the Restricted Unit Plan	(22,953)	
Net Restricted Units outstanding	322,411	

SPECIAL VOTING UNITS

The following table sets forth, to the knowledge of Allied, the aggregate number of Special Voting Units of Allied subject to contractual restrictions on transfer as at December 31, 2022, and the percentage that number represents of the issued and outstanding Special Voting Units of Allied as at December 31, 2022.

TOTAL NUMBER OF SPECIAL VOTING UNITS SUBJECT TO A CONTRACTUAL RESTRICTION ON TRANSFER	PERCENTAGE OF OUTSTANDING SPECIAL VOTING UNITS
11,809,145 ⁽¹⁾	100.00%

(1) Pursuant to the Declaration of Trust, Special Voting Units are not transferable separately from the Exchangeable LP Units issued in tandem with them. Upon any valid transfer of an Exchangeable LP Unit under the terms and conditions of the limited partnership agreement governing the Partnership, the Special Voting Unit issued in tandem with it will automatically be transferred to the permitted transferee of such Exchangeable LP Unit. The 11,809,145 Exchangeable LP Units issued on March 31, 2022, in connection with the acquisition of six properties from Choice Properties (and any Units issued in exchange for such Exchangeable LP Units), may not be sold, assigned, transferred or otherwise disposed of without the prior written consent of Allied except in limited circumstances until the dates noted below:

LOCK-UP EXPIRATION DATE	NUMBER OF EXCHANGEABLE LP UNITS ELIGIBLE FOR RELEASE
June 30, 2023	2,952,286
September 30, 2023	2,952,286
December 31, 2023	2,952,286
March 31, 2024	2,952,287
.....	11,809,145

Senior Unsecured Debentures

As at December 31, 2022, Allied had the following senior unsecured debentures (collectively “*Unsecured Debentures*”) outstanding:

	DATE OF ISSUE	DATE OF MATURITY	BALANCE OUTSTANDING (\$)
Series C, 3.636%, semi-annual interest payments due April 21 and October 21	April 21, 2017	April 21, 2025	200,000,000
Series D, 3.394%, semi-annual interest payments due February 15 and August 15	August 15, 2019	August 15, 2029	300,000,000
Series E, 3.113%, semi-annual interest payments due April 8 and October 8	October 8, 2019	April 8, 2027	300,000,000
Series F, 3.117%, semi-annual interest payments due February 21 and August 21	February 21, 2020	February 21, 2030	400,000,000
Series G, 3.131%, semi-annual interest payments due May 15 and November 15	May 15, 2020	May 15, 2028	300,000,000
Series H, 1.726%, semi-annual interest payments due February 12 and August 12	February 12, 2021	February 12, 2026	600,000,000
Series I, 3.095%, semi-annual interest payments due February 6 and August 6	August 6, 2021	February 26, 2032	500,000,000

The Unsecured Debentures were issued under the Trust Indenture. The Unsecured Debentures are direct senior unsecured obligations of Allied and rank equally and rateably with one another, regardless of their actual date or terms of issue, and with all other unsecured and unsubordinated indebtedness of Allied, except to the extent prescribed by law. At its option, Allied may redeem the Unsecured Debentures at any time, in whole or in part, prior to maturity in accordance with the Trust Indenture and subject to such conditions as may be specified in the applicable notice of redemption. The redemption price for any Unsecured Debentures to be redeemed by Allied in whole or in part prior to the Par Call Date (as defined in the applicable supplemental indenture) shall be an amount equal to the greater of (i) the Canada Yield Price (as defined in the applicable supplemental indenture) and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption (less any taxes required by law to be deducted or withheld). The redemption price for any Unsecured Debentures to be redeemed by Allied in whole or in part on or after the Par Call Date shall be an amount equal to par, together with accrued and unpaid interest to the date fixed for redemption (less any taxes required by law to be deducted or withheld).

Credit Ratings

Allied's credit ratings as at December 31, 2022, are summarized below:

DEBT	RATING AGENCY	LONG-TERM CREDIT RATING	TREND/OUTLOOK
Issuer Rating & Unsecured Debentures	DBRS Limited	BBB	Stable
Issuer Rating & Unsecured Debentures	Moody's Investors	Baa2	Stable

DBRS Limited (“DBRS”) has assigned a long-term rating of “BBB” with a “Stable” trend in respect of Allied and the Unsecured Debentures. Long-term ratings assigned by DBRS provide an opinion of DBRS on the risk of default; that is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. DBRS’ long-term credit ratings scale ranges from “AAA” (typically assigned to obligations of the highest credit quality) to “D” (typically assigned to obligations in default or obligations that clearly will be in default in the near future). A long-term obligation rated “BBB” by DBRS is the fourth highest-rated obligation after those rated “AAA”, “AA” and “A” and is, in DBRS’ view, of adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. DBRS indicates that “BBB” rated obligations may be vulnerable to future events. All DBRS rating categories other than “AAA” and “D” also contain subcategories “(high)” and “(low)”. The absence of either a “(high)” or “(low)” designation indicates the rating is in the middle of the category.

DBRS uses “rating trends” for its ratings in, among other areas, the real estate investment trust sector. DBRS’ rating trends provide guidance in respect of DBRS’ opinion regarding the outlook for the rating in question, with rating trends falling into one of three categories: “Positive”, “Stable” or “Negative”. The rating trend indicates the direction in which DBRS considers the rating may move should present circumstances continue, or in some cases, unless challenges are addressed. In general, DBRS’ view is based primarily on an evaluation of the issuing entity or guarantor itself, but may also include consideration of the outlook for the industry or industries in which the issuing entity operates. A “Positive” or “Negative” trend assigned by DBRS is not an indication that a rating change is imminent, but represents an indication that there is a greater likelihood that the rating could change in the future than would be the case if a “Stable” trend was assigned.

Moody’s Investors Service (“*Moody’s*”) has assigned Allied and the Unsecured Debentures a long-term credit rating of “Baa2” and a “Stable” rating outlook in respect of Allied. Long-term ratings assigned by Moody’s provide an opinion of Moody’s that reflects both the likelihood of a default on contractually promised payments and the expected financial loss suffered in the event of such default.

Moody’s long-term debt ratings scale ranges from “Aaa” (typically assigned to obligations of the highest quality, subject to the lowest level of credit risk) to “C” (typically assigned to obligations in default, with little prospect for recovery of principal or interest). A rating of “Baa” by Moody’s is within the fourth highest of nine categories and is assigned to debt securities that are judged to be medium grade and subject to moderate credit risk. Such securities may possess certain speculative characteristics. Moody’s applies numerical modifiers “1”, “2” and “3” to each generic rating classification from “Aa” through “Caa” in its bond rating system. The modifier “1” indicates that the obligation ranks in the higher end of the generic rating category; the modifier “2” indicates a mid-range ranking; and the modifier “3” indicates a ranking in the lower end of the generic rating category. A Moody’s rating outlook is an opinion regarding the likely direction of a rating over the medium term. A stable outlook indicates a low likelihood of a rating change over the medium term. A negative, positive or developing outlook indicates a higher likelihood of a rating change over the medium term.

There can be no assurance that a rating will remain in effect for any given period of time or that a rating will not be lowered, withdrawn or revised by DBRS or Moody’s if in its respective judgment circumstances so warrant. The rating of the Unsecured Debentures is not a recommendation to buy, sell or hold such securities, inasmuch as such rating does not comment as to market price or suitability for a particular investor.

Allied has paid customary rating fees to DBRS and Moody’s in connection with the above-mentioned ratings. Allied has not made any payments to DBRS or Moody’s in respect of any other service provided to Allied by DBRS or Moody’s, respectively.

Distributions and Distribution Policy

The following outlines the distribution policy of Allied. Subject to compliance with such distribution policy, determinations as to the amounts actually distributable are in the discretion of the Trustees.

GENERAL

Distributions are determined by the Trustees in their discretion. Distributions shall be made in cash or by such other method of payment approved by the Trustees from time to time, which could include by the issuance of additional Units. Any distribution shall be made proportionately to persons who are Unitholders as at the close of business on the record date for such distribution, which shall be the last Business Day (as defined by the Declaration of Trust) of the calendar month preceding the month in which the Distribution Date falls, or if such date is not a Business Day then the next following Business Day, or such other date, if any, as is fixed in accordance with the Declaration of Trust.

Allied makes monthly cash distributions to Unitholders on each Distribution Date (being in respect of a month, on or about the 15th day of the following month). The level of distributions paid by Allied fluctuates from year to year. It is the present intention of the Trustees to allocate, distribute and make payable to Unitholders in each year, in aggregate, the amount necessary such that Allied will not be liable to pay tax under Part I of the Tax Act for such year.

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.

Allied is focused on increasing distributions to its Unitholders on a regular and prudent basis. During the first 12 months of operations, Allied made regular monthly distributions of \$1.10 per unit on an annualized basis. The distribution increases since then are set out in the table below:

	MARCH, 2004	MARCH, 2005	MARCH, 2006	MARCH, 2007	MARCH, 2008	DECEMBER, 2012	DECEMBER, 2013	DECEMBER, 2014
Annualized increase per Unit	\$0.04	\$0.04	\$0.04	\$0.04	\$0.06	\$0.04	\$0.05	\$0.05
% increase	3.6%	3.5%	3.4%	3.3%	4.8%	3.0%	3.7%	3.5%
Annualized distribution per Unit	\$1.14	\$1.18	\$1.22	\$1.26	\$1.32	\$1.36	\$1.41	\$1.46

	DECEMBER, 2015	DECEMBER, 2016	DECEMBER, 2017	DECEMBER, 2018	JANUARY, 2020	JANUARY, 2021	JANUARY, 2022	JANUARY, 2023
Annualized increase per Unit	\$0.04	\$0.03	\$0.03	\$0.04	\$0.05	\$0.05	\$0.05	\$0.05
% increase	2.7%	2.0%	2.0%	2.6%	3.1%	3.0%	2.9%	2.9%
Annualized distribution per Unit	\$1.50	\$1.53	\$1.56	\$1.60	\$1.65	\$1.70	\$1.75	\$1.80

The following table sets out the distributions paid by Allied for the periods indicated:

PERIOD	MONTHLY DISTRIBUTION PER UNIT (\$)
January 2020 - December 2020	\$0.13750
January 2021 - December 2021	\$0.14167
January 2022 - December 2022	\$0.14580

On December 1, 2022, the Trustees approved an increase in monthly cash distributions for 2023 to \$0.15 per Unit beginning with the distribution for the month of January 2023, payable on February 15, 2023, to Unitholders of record on January 31, 2023.

On January 16, 2023, Allied declared a distribution for the month of January 2023 of \$0.15 per Unit, representing \$1.80 per Unit on an annualized basis to Unitholders of record as at January 31, 2023.

TAX DEFERRAL ON DISTRIBUTIONS

A portion of the distributions to be made by Allied to Unitholders will be tax deferred by reason of Allied's ability to claim capital cost allowance and certain other deductions. Please refer to Allied's website (www.alliedreit.com) for the details of the distribution history. The adjusted cost base of Units held by a Unitholder will generally be reduced by the non-taxable portion of distributions made to the Unitholder (other than the non-taxable portion of certain capital gains). A Unitholder will generally realize a capital gain to the extent that the adjusted cost base of the Unitholder's Units would otherwise be a negative amount.

DISTRIBUTION REINVESTMENT PLAN

Allied instituted a DRIP whereby Canadian Unitholders may elect to have their distributions automatically reinvested in additional Units. Effective November 21, 2016, Allied suspended its DRIP until further notice. No commissions, service charges or brokerage fees are payable by participants in connection with the DRIP.

Unitholders' Rights Plan

Allied has established a Unitholders' rights protection plan (the "*Rights Plan*"). The material terms of the Rights Plan are summarized below and are substantially the same as the Unitholders' rights protection plan originally implemented by Allied at the IPO apart from changes to the definitions of Permitted Bid, Competing Permitted Bid, Expiration Time, Lock-up Agreement, Exercise Price, controlled and acting jointly or in concert and amendments to the redemption and waiver provisions, which changes are discussed below. This summary is qualified in its entirety by reference to the actual provisions of the Rights Plan. All capitalized terms which are used in this summary and are not otherwise defined have the meanings which are attributed to them in the Rights Plan.

GENERAL

To implement the Rights Plan, the Trustees will authorize the issuance of one right (a "*Plan Right*") in respect of each Unit when issued. Each Plan Right entitles the registered holder to purchase from Allied one Unit for the Exercise Price, subject to adjustment as set out in the Rights Plan. In the event of an occurrence of a Flip-in Event (as defined below), each Plan Right entitles the registered holder to purchase from Allied that number of Units that have an aggregate Market Price (as defined in the Rights Plan) on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price (as defined in the Rights Plan), in accordance with the terms of the Rights Plan, for an amount in cash equal to the Exercise Price, subject to certain adjustments. The Plan Rights are not exercisable prior to the Separation Time (as defined below). The issuance of the Plan Rights will not affect reported earnings per Unit until the Plan Rights separate from the underlying Units and become exercisable. The issuance of Plan Rights will not change the manner in which Unitholders currently trade their Units. The Exercise Price under the rights protection plan implemented by Allied at the IPO was set at \$40.00. Under the Rights Plan, the Exercise Price is an amount equal to three times the Market Price (as defined in the Rights Plan).

The Rights Plan must be reconfirmed by a resolution passed by a majority of the votes cast by all Unitholders at every third annual meeting of Unitholders. If the Rights Plan is not so reconfirmed, the Rights Plan and all outstanding Plan Rights shall terminate and be void and of no further force and effect, provided that such termination shall not occur if a Flip-in Event that has not been waived pursuant to the Rights Plan has occurred prior to such annual meeting. The rights protection plan implemented by Allied at the IPO had a ten-year term expiring February 20, 2013, subject to the reconfirmation by Unitholders every third annual meeting of Unitholders. The Trustees of Allied amended the definition of Expiration Time to provide that the Rights Plan must be reconfirmed and approved by Unitholders every three years without specifying a fixed term. The Rights Plan was most recently reconfirmed and approved by Unitholders at Allied's annual and special meeting of Unitholders held on May 3, 2022.

FLIP-IN EVENT

A "Flip-in Event" means a transaction as a result of which a Person becomes an Acquiring Person (as defined below). On the occurrence of a Flip-in Event, any Plan Rights Beneficially Owned on or after a date determined in accordance with the Rights Plan by an Acquiring Person (including any affiliate or associate thereof or any Person acting jointly or in concert with an Acquiring Person or any affiliate or associate of an Acquiring Person) and certain transferees of Plan Rights will become void and any such holder will not have any right to exercise Plan Rights under the Rights Plan and will not have any other rights with respect to the Plan Rights.

ACQUIRING PERSON

An "Acquiring Person" is, generally, a Person who is the Beneficial Owner of 20% or more of the then outstanding Units of Allied. Under the Rights Plan there are various exceptions to this rule, including that an Acquiring Person: (i) shall not include: (A) Allied or a subsidiary of Allied, and (B) an underwriter or selling group member during the course of a public distribution, and (ii) may not, in certain circumstances, include a Person who becomes the Beneficial Owner of 20% or more of the outstanding Units as a result of any one of certain events or combinations of events that include: (A) a Unit reduction through an acquisition or redemption of Units by Allied, and (B) an acquisition of Units made pursuant to a Permitted Bid (as defined below) or a Competing Permitted Bid.

BENEFICIAL OWNERSHIP

A Person is deemed to be the “Beneficial Owner” of, and to “Beneficially Own”, Units in circumstances where that Person or any of its affiliates or associates: (i) is the owner of the Units at law or in equity, or (ii) in certain circumstances, has the right to become the owner at law or in equity where such right is exercisable within 60 days and includes any Units that are Beneficially Owned by any other Person with whom such Person is acting jointly or in concert. Under the Rights Plan there are various exceptions to this rule, including where a Person:

- a. has agreed to deposit or tender Units to a take-over bid pursuant to a permitted lock-up agreement in accordance with the terms of the Rights Plan; or
- b. is an investment fund manager or a trust company acting as trustee or administrator who holds such Units in the ordinary course of such duties for the account of another Person or other account(s), an administrator or trustee of one or more registered pension funds or plans, a crown agent or agency, a manager or trustee of certain mutual funds or a Person established by statute to manage investment funds for employee benefit plans, pension plans, insurance plans or various public bodies, provided that such Person is not making and has not announced an intention to make a take-over bid alone or acting jointly or in concert with any other Person, other than an Offer to Acquire Units (as defined in the Rights Plan) pursuant to a distribution by Allied, by means of a Permitted Bid, or by means of ordinary market transactions executed through the facilities of a stock exchange or organized over-the-counter market.

LOCK-UP AGREEMENTS

A bidder, any of its affiliates or associates or any other Person acting jointly or in concert with the bidder may enter into lock-up agreements (each, a “*Lock-up Agreement*”) with Allied’s Unitholders (each, a “*Locked-up Person*”) whereby such Locked-up Persons agree to tender their Units to the take-over bid or otherwise commit to support a control transaction (the “*Subject Bid*”) without a Flip-in Event occurring. Any such agreement must permit the Locked-up Person to withdraw their Units from the lock-up to tender to another take-over bid or support another transaction that (i) will provide greater value to the Locked-up Person than the Subject Bid or (ii) contains an offering price per Unit that exceeds by as much or more than a specified amount (a “*Specified Amount*”) the value offered under the Subject Bid, and does not provide for a Specified Amount that is greater than 7% of the value offered under the Subject Bid.

The Rights Plan expands on the definition of Lock-up Agreement in the rights protection plan originally put in place by Allied at the IPO. The definition of Lock-up Agreement is amended to provide that any Lock-up Agreement can be made available to the public, and that under a Lock-up Agreement no “break-up” fees, “top-up” fees, penalties, expense reimbursement or other amounts that exceed in aggregate the greater of: (i) 2.5% of the value payable to the Locked-up Person under the Subject Bid; and (ii) 50% of the amount by which the value payable to the Locked-up Person under another take-over bid or transaction exceeds what such Locked-up Person would have received under the Subject Bid; can be payable by such Locked-up Person if the Locked-up Person fails to deposit or tender their Units to the Subject Bid or withdraws such Units previously tendered thereto in order to tender such Units to another take-over bid or participate in another transaction.

PERMITTED BID

A Flip-in Event will not occur if a take-over bid is structured as a Permitted Bid. A Permitted Bid is a take-over bid made by means of a take-over bid circular, which also complies with the following provisions:

- a. the take-over bid is made to all registered Unitholders of Allied, wherever resident, other than the Person making the bid;
- b. the take-over bid contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, irrevocable and unqualified conditions that:
 - i. no Units will be taken-up or paid for pursuant to the take-over bid: (A) before the close of business on a date that is not less than 105 days following the date of the take-over bid or such shorter minimum initial deposit period that a non-exempt take-over bid must remain open for deposits, in the applicable circumstances at such time, pursuant to National Instrument 62-104 *Take-Over Bids and Issuer Bids* (“NI 62-104”); and (B) then only if, at the close of business on such date, the Units deposited or tendered pursuant to the take-over bid and not withdrawn constitute more than 50% of the Units outstanding which are held by “independent unitholders” (as defined in the Rights Plan);
 - ii. unless the take-over bid is withdrawn, Units may be deposited pursuant to the take-over bid at any time before the close of business on the date of the first take-up of or payment for Units;
 - iii. any Units deposited pursuant to the take-over bid may be withdrawn until taken-up and paid for; and
 - iv. if the requirement in clause (b) (i) (B) is satisfied, the Person making the bid will make a public announcement of that fact and the take-over bid will remain open for deposits and tenders of Units for not less than ten days from the date of such public announcement.

The definition of Permitted Bid was amended to extend the minimum bid period for a Permitted Bid from 60 days to 105 days (or such shorter minimum period permitted in the applicable circumstances) to align with the minimum bid requirements for take-over bids set out in NI 62-104, and the definition of Competing Permitted Bid was amended to align with the minimum period such a bid must remain open pursuant to NI 62-104.

TRADING OF RIGHTS

Until the Separation Time (as defined below), the Plan Rights will be evidenced by the associated issued and outstanding Units of Allied. The Rights Plan provides that, until the Separation Time, the Plan Rights will be transferred with, and only with, the associated Units. Until the Separation Time, or earlier termination or expiration of the Plan Rights, each new Unit certificate issued after the applicable record time, if any, will display a legend incorporating the terms of the Rights Plan by reference. As soon as practicable following the Separation Time, separate certificates evidencing the Plan Rights (“*Plan Rights Certificates*”) will be mailed to registered Unitholders, other than an Acquiring Person and in respect of any Plan Rights Beneficially Owned by such Acquiring Person, as of the close of business at the Separation Time, and thereafter the Plan Rights Certificates alone will evidence the Plan Rights.

SEPARATION TIME

The Plan Rights will separate and trade apart from the Units after the Separation Time until the Expiration Time. Subject to the right of the Trustees to defer it, the “Separation Time” means the close of business on the eighth business day after the earliest of: (i) the first date of a public announcement that a Person has become an Acquiring Person; (ii) the commencement or first public announcement of the intent of any Person to commence a take-over bid other than a Permitted Bid; and (iii) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such.

WAIVER

Without the consent of Unitholders or, if applicable, holders of Plan Rights, the Trustees may waive the application of the Rights Plan to a Flip-in Event that would occur by reason of a take-over bid made by means of a take-over bid circular to all Unitholders of Allied provided that, if the Trustees waive the application of the Rights Plan to such Flip-in Event, they will be deemed to have waived the application of the Rights Plan to any other Flip-in Events occurring by reason of a take-over bid made by means of a take-over bid circular to all Unitholders of Allied which is made prior to the expiry of any take-over bid in respect of which a waiver has been granted by the Trustees. The Trustees may also, subject to certain conditions, waive the application of the Rights Plan to a Flip-in Event triggered by inadvertence.

REDEMPTION

The Trustees with the approval of a majority vote of the votes cast by Unitholders (or the holders of Plan Rights if the Separation Time has occurred) voting in person and by proxy, at a meeting duly called for that purpose, may redeem the Plan Rights at \$0.001 per Plan Right, subject to adjustment in accordance with the Rights Plan. Plan Rights will become void and be of no further effect on the date that any Person who has made a Permitted Bid, Competing Permitted Bid or Exempt Acquisition (as defined in the Rights Plan) takes up and pays for the Units pursuant to such transaction.

POWER TO AMEND

Allied may make amendments to the Rights Plan to correct clerical or typographical errors without the approval of the holders of Plan Rights. Allied may make amendments to the Rights Plan to preserve the validity of the Rights Plan in the event of any change in applicable legislation, rules or regulations thereunder with the approval of the Unitholders of Allied or, in certain circumstances, the holders of Plan Rights, in accordance with the Rights Plan. In other circumstances, amendments to the Rights Plan may require the prior approval of the Unitholders of Allied or the holders of Plan Rights.

EXEMPTIONS FOR INVESTMENT ADVISORS

Investment advisors (for fully managed accounts), trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds and administrators of registered pension plans acquiring greater than 20% of the Units are exempted from triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a take-over bid.

Experts

Deloitte LLP has audited the consolidated financial statements as at and for the years ended December 31, 2022 and December 31, 2021, together with the notes thereto. Deloitte LLP is independent of Allied within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Transfer Agent and Registrar

The transfer agent and registrar of the Units is TSX Trust Company at its principal office in Toronto, Ontario.

The trustee, registrar and transfer agent for the Unsecured Debentures is Computershare Trust Company of Canada at its principal office in Toronto, Ontario.

Audit Fees

The following table sets forth all services rendered by Allied's external auditor, Deloitte LLP ("*Deloitte*"), by category, together with the corresponding fees billed by Deloitte for each category of service for the financial years ended December 31, 2022, and 2021.

	YEAR ENDED DECEMBER 31, 2022	YEAR ENDED DECEMBER 31, 2021
Audit Fees ⁽¹⁾	\$955,000	\$942,000
Audit-Related Fees ⁽²⁾	518,000	480,000
All Other Fees ⁽³⁾	13,000	13,000
Total Fees ⁽⁴⁾	\$1,486,000	\$1,435,000

(1) Represents the aggregate fees billed by Deloitte for audit services, including fees for comfort letters and documents filed with securities regulatory authorities.

(2) Represents the aggregate fees billed for assurance and related services by Deloitte that are reasonably related to the performance of the audit or review of Allied's financial statements, including audits of individual properties to comply with lender or tenant requirements.

(3) Represents the aggregate fees billed for products and services provided by Deloitte other than those services reported under "Audit Fees" and "Audit-Related Fees".

(4) There were no tax fees billed by Deloitte for the years ended December 31, 2022 and 2021.

Material Contracts

The following are the only material contracts, other than contracts entered into in the ordinary course of business, entered into by Allied within the most recently completed financial year of Allied or before the most recently completed financial year but still in effect:

- (a) the Declaration of Trust;
- (b) the Rights Plan;
- (c) the Trust Indenture; and
- (d) the Portfolio Purchase Agreement.

Electronic copies of the contracts set out above may be accessed on SEDAR at www.sedar.com. Particulars of the contracts are disclosed elsewhere in this Annual Information Form.

Additional Information

Additional information relating to Allied can be found on SEDAR at www.sedar.com. Additional information, including Trustees' and officers' remuneration and indebtedness, principal holders of Units of Allied and securities authorized for issuance under equity compensation plans, as applicable, is contained in Allied's information circular prepared in connection with the annual and special meeting of Unitholders held on May 3, 2022. Additional financial information is provided in Allied's audited consolidated financial statements and management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2022. A copy of such documents may be obtained upon request from the Chief Financial Officer of Allied.

Terms of Reference

1. PURPOSE

The overall purpose of the Audit Committee (the "*Committee*") of Allied is to monitor Allied's system of internal financial controls, to evaluate and report on the integrity of the financial statements including the MD&A and related Press Releases of Allied, to enhance the independence of Allied's external auditor and to oversee the accounting and financial reporting processes and audits of financial statements of Allied.

2. COMPOSITION, PROCEDURES AND ORGANIZATION

- 2.1 The Committee shall consist of at least three members of the board of trustees of Allied (the "*Board*"), each of whom shall be, in the determination of the Board, "independent" as that term is defined by Multilateral Instrument 52-110 *Audit Committees*, as amended from time to time, and the majority of whom shall be resident Canadians. The definition of "independent" is set out in Exhibit A hereto.
- 2.2 All members of the Committee shall be, in the determination of the Board, "financially literate", as that term is defined by Multilateral Instrument 52-110 *Audit Committees*, as amended from time to time. The definition of "financially literate" is set out in Exhibit A hereto.
- 2.3 The Board, at its organizational meeting held in conjunction with each annual meeting of unit holders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee. Any member of the Committee ceasing to be a trustee shall cease to be a member of the Committee.
- 2.4 Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from amongst their number.
- 2.5 The Committee shall have access to such officers and employees of Allied and to Allied's external auditor and its legal counsel, and to such information respecting Allied as it considers to be necessary or advisable in order to perform its duties.

- 2.6 Notice of every meeting shall be given to the external auditor, who shall, at the expense of Allied, be entitled to attend and to be heard thereat.
- 2.7 Meetings of the Committee shall be conducted as follows:
- a. the Committee shall meet on a regular basis, at such times and at such locations as the chair of the Committee shall determine;
 - b. the external auditor or any member of the Committee may call a meeting of the Committee;
 - c. any trustee of Allied may request the chair of the Committee to call a meeting of the Committee and may attend such meeting to inform the Committee of a specific matter of concern to such trustee, and may participate in such meeting to the extent permitted by the chair of the Committee;
 - d. the external auditor and management employees shall, when required by the Committee, attend any meeting of the Committee; and
 - e. a quorum for any meeting of the Committee shall be at least 50% of the members of the Committee present in person. Any member participating in a meeting of the Committee by conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall be considered present in person at the meeting.
- 2.8 The external auditor shall be entitled to communicate directly with the chair of the Committee and may meet separately with the Committee. The Committee, through its chair, may contact directly any employee of Allied as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper practices or transactions.
- 2.9 Compensation to members of the Committee shall be limited to trustee's fees, either in the form of cash or equity, and members shall not accept consulting, advisory or other compensatory fees from Allied (other than as members of the Board and Board committee members).
- 2.10 The Committee is authorized, at Allied's expense, to retain independent counsel and other advisors as it determines necessary to carry out its duties and to set their compensation.

3. DUTIES

3.1 *General*

The overall duties of the Committee shall be to:

- a. assist the Board in the discharge of its duties relating to Allied's accounting policies and practices, reporting practices and internal controls;
- b. establish and maintain a direct line of communication with Allied's external auditor and assess its performance;
- c. oversee the co-ordination of the activities of the external auditor;

- d. ensure that the management of Allied has designed, implemented and is maintaining an effective system of internal controls;
- e. monitor the credibility and objectivity of Allied's financial reports;
- f. report regularly to the Board on the fulfillment of the Committee's duties;
- g. assist the Board in the discharge of its duties relating to Allied's compliance with legal and regulatory requirements; and
- h. assist the Board in the discharge of its duties relating to risk assessment and risk management.

3.2 *Oversight of External Auditor*

The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Allied, including the resolution of disagreements between management and the external auditor regarding financial reporting, and in carrying out such oversight the Committee's duties shall include:

- a. recommending to the Board a firm of external auditors to be nominated for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Allied and recommending the compensation of the external auditor;
- b. reviewing, where there is to be a change of external auditor, all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102 *Continuous Disclosure Obligations*, as amended from time to time, and the planned steps for an orderly transition;
- c. reviewing all reportable events, including disagreements, unresolved issues and consultations, as defined in National Instrument 51-102 *Continuous Disclosure Obligations*, as amended from time to time, on a routine basis, whether or not there is to be a change of external auditor;
- d. reviewing the engagement letters of the external auditor, both for audit and non-audit services;
- e. reviewing the performance, including the fee, scope and timing of the audit and other related services and any non-audit services provided by the external auditor; and
- f. reviewing and approving the nature of and fees for any non-audit services performed for Allied by the external auditor and consider whether the nature and extent of such services could detract from the firm's independence in carrying out the audit function.

3.3 *Audits and Financial Reporting*

The duties of the Committee as they relate to audits and financial reporting shall be to:

- a. review the audit plan with the external auditor and management;
- b. review with the external auditor and management any proposed changes in accounting policies, the presentation of the impact of significant risks and uncertainties, and key estimates and judgments of management that may in any such case be material to financial reporting;
- c. review the contents of the audit report;

- d. question the external auditor and management regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
- e. review the scope and quality of the audit work performed;
- f. review the adequacy of Allied's financial and auditing personnel;
- g. review the co-operation received by the external auditor from Allied's personnel during the audit, any problems encountered by the external auditor and any restrictions on the external auditor's work;
- h. review the internal resources used;
- i. review the appointments of the chief financial officer, internal auditor (or persons performing the internal audit function) and any key financial executives involved in the financial reporting process;
- j. review and approve Allied's annual audited financial statements and those of its subsidiaries in conjunction with the report of the external auditor thereon including related MD&A and Press Release, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public;
- k. review and approve Allied's interim unaudited financial statements including related MD&A and Press Release and auditors' review thereof, and obtain an explanation from management of all significant variances between comparative reporting periods before release to the public;
- l. establish a procedure for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and employees' confidential anonymous submission of concerns regarding accounting and auditing matters;
- m. satisfy itself that adequate procedures are in place for the review of Allied's public disclosure of financial information extracted or derived from Allied's financial statements, and periodically re-assess the adequacy of those controls; and
- n. review the terms of reference, if any, for an internal auditor or internal audit function.

3.4 *Internal Controls*

The duties of the Committee as they relate to the review of internal controls over financial reporting shall be to, on an annual basis:

- a. review the processes that support the CEO's and CFO's certification regarding internal controls over financial reporting ("ICFR") and be satisfied that they constitute a reasonable approach and are diligently performed;
- b. review all design or operational weaknesses in ICFR identified in these processes that could have a material impact on the issuer's financial reporting;
- c. review how management assessed each weakness, and decided on whether it should be disclosed in the MD&A or not, and should review the "close call" decisions;
- d. review the completeness and accuracy of the disclosures provided in the MD&A;

- e. review, with advice from legal counsel as necessary, the proposed course of action for CEO and CFO signing of the certificates and consultation with the appropriate securities regulators when unremediated ICFR design weaknesses are disclosed in the MD&A; and
- f. review and approve disclosed remediation plans.

3.5 *Accounting Policies and Disclosure of Financial Information*

The duties of the Committee as they relate to accounting and disclosure policies and practices shall be to:

- a. review changes to IFRS which would have a significant impact on Allied's financial reporting as reported to the Committee by management and the external auditor;
- b. review the appropriateness of the accounting policies used in the preparation of Allied's financial statements and consider recommendations for any material change to such policies;
- c. review the status of material contingent liabilities as reported to the Committee by management;
- d. review the status of potentially significant tax problems as reported to the Committee by management;
- e. review any errors or omissions in the current or prior year's financial statements;
- f. review and approve before their release all public disclosure documents containing audited or unaudited financial information, including all annual and interim earnings press releases, annual information forms and management's discussion and analyses; and
- g. oversee and review all financial information and earnings and distributable cash flow guidance provided to analysts and rating agencies.

3.6 *Other*

The other duties of the Committee shall include:

- a. reviewing any inquiries, investigations or audits of a financial nature by governmental, regulatory or taxing authorities;
- b. reviewing annual operating and capital budgets;
- c. reviewing the funding and administration of Allied's compensation and pension plans, if any;
- d. reviewing and reporting to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
- e. inquiring of management and the external auditor as to any activities that may be or may appear to be illegal or unethical; and
- f. any other questions or matters referred to it by the Board.