



September 2, 2021

Slate Office REIT Announces Disposition of Office Property in Toronto, Ontario for \$34.0 Million, an Implied 2.3% Capitalization Rate

TORONTO – Slate Office REIT (TSX: SOT.UN) (the "REIT"), an owner and operator of office real estate, announced today that it has entered into an agreement to sell an office property at 1 Eva Road in Toronto, Ontario for a sale price of \$34.0 million or \$370 per square foot, which implies a capitalization rate of 2.3%.

The sale price is significantly higher than both the REIT's original purchase price of the asset and the REIT's most recent IFRS value. Redeploying net proceeds from an asset yielding 2.3% will allow the REIT to drive immediate accretion for unitholders. With a significant pipeline of higher yielding assets, the REIT intends to complete an acquisition prior to the end of 2021.

"The strategic disposition of the property at 1 Eva Road at a levered internal rate of return of approximately 25% is an excellent example of our management team's ability to unlock the value of an asset and generate attractive returns at the property level," said Steve Hodgson, the REIT's Chief Executive Officer. "Additionally, the sale price at a significant premium to purchase price further validates Slate Office REIT's net asset value and the upside potential of the REIT's stock given the current trading discount compared to real estate valuations. We continue to see compelling investment opportunities in the market and are pleased to have created immediate liquidity to fund new acquisitions for Slate Office REIT."

This transaction remains subject to customary closing conditions and is expected to be completed in the third quarter of 2021.

1 Eva Road Disposition Highlights

- The asset sale will occur at an attractive 113.0% or \$18.0 million premium to the REIT's purchase price.
- The sale price represents a 12.6% increase to the REIT's IFRS value at June 30, 2021, further validating the net asset value of the REIT.
- This disposition will generate a levered internal rate of return of approximately 25% since 2014.
- The REIT will allocate net proceeds of approximately \$20.7 million toward future accretive investment opportunities, of which the REIT has a significant pipeline.

About Slate Office REIT (TSX: SOT.UN)

Slate Office REIT is an owner and operator of office real estate. The REIT owns interests in and operates a portfolio of 33 strategic and well-located real estate assets across Canada's major population centres and includes two assets in downtown Chicago, Illinois. 60% of the REIT's portfolio is comprised of government or credit rated tenants. The REIT acquires quality assets at a discount to replacement cost and creates value for unitholders by applying hands-on asset management strategies to grow rental revenue, extend lease term and increase occupancy. Visit slateofficereit.com to learn more.

About Slate Asset Management

Slate Asset Management is a global alternative investment platform focused on real estate. We focus on fundamentals with the objective of creating long-term value for our investors and partners. Slate's platform has a range of investment strategies, including opportunistic, value add, core plus and debt investments. We are supported by exceptional people and flexible capital, which enable us to originate and execute on a wide range of compelling investment opportunities. Visit slateam.com to learn more.

Forward-Looking Statements

Certain information herein constitutes "forward-looking information" as defined under Canadian securities laws which reflect management's expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance, business prospects and opportunities of the REIT. The words "plans", "expects", "does not expect", "scheduled", "estimates", "intends", "anticipates", "does not anticipate", "projects", "believes", or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "would", "might", "occur", "be achieved", or "continue" and similar expressions identify forward-looking statements. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.

Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by management as of the date hereof, are inherently subject to significant business, economic and competitive uncertainties and contingencies. When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. A number of factors could cause actual results to differ, possibly materially, from the results discussed in the forward-looking statements. Additional information about risks and uncertainties is contained in the filings of the REIT with securities regulators.

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For Further Information

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