

Slate Office REIT

Investor Update

Q4 2019

SLATE



120 S LaSalle Street
Chicago, IL

Slate Office REIT (SOT.UN)

Quality office portfolio that provides a meaningful total return to unitholders through net asset value growth and an attractive yield

Pure play

North American office REIT

High quality

assets located in target markets with strong operating histories

Well aligned

9.5% ownership interest held by Slate Asset Management (“SLAM”), which manages the REIT

Why Slate Office REIT?

01

Proven Track Record

Strong history of sourcing attractive deals and applying best-in-class asset management to create value

02

Total Return Investment

Yield + Net Asset Value Accretion:

Proven ability to generate high double digit returns, while paying a sustainable distribution

03

Net Asset Value Validation

Recent market transactions completed by the REIT validate net asset value

What We Do

Focus on Cost Basis

Acquire quality assets at a discount to replacement cost with below market in-place rents

Hands-on Asset Management

Reposition assets, grow rents, extend lease term and increase occupancy to create value

Recycle Capital

Sell fully valued assets and reinvest funds into new attractive opportunities

Strong track record of harvesting gains at net asset value and realizing double digit internal rates of return

Where We Are Investing

Acquiring high quality assets below replacement cost provides superior risk-adjusted returns



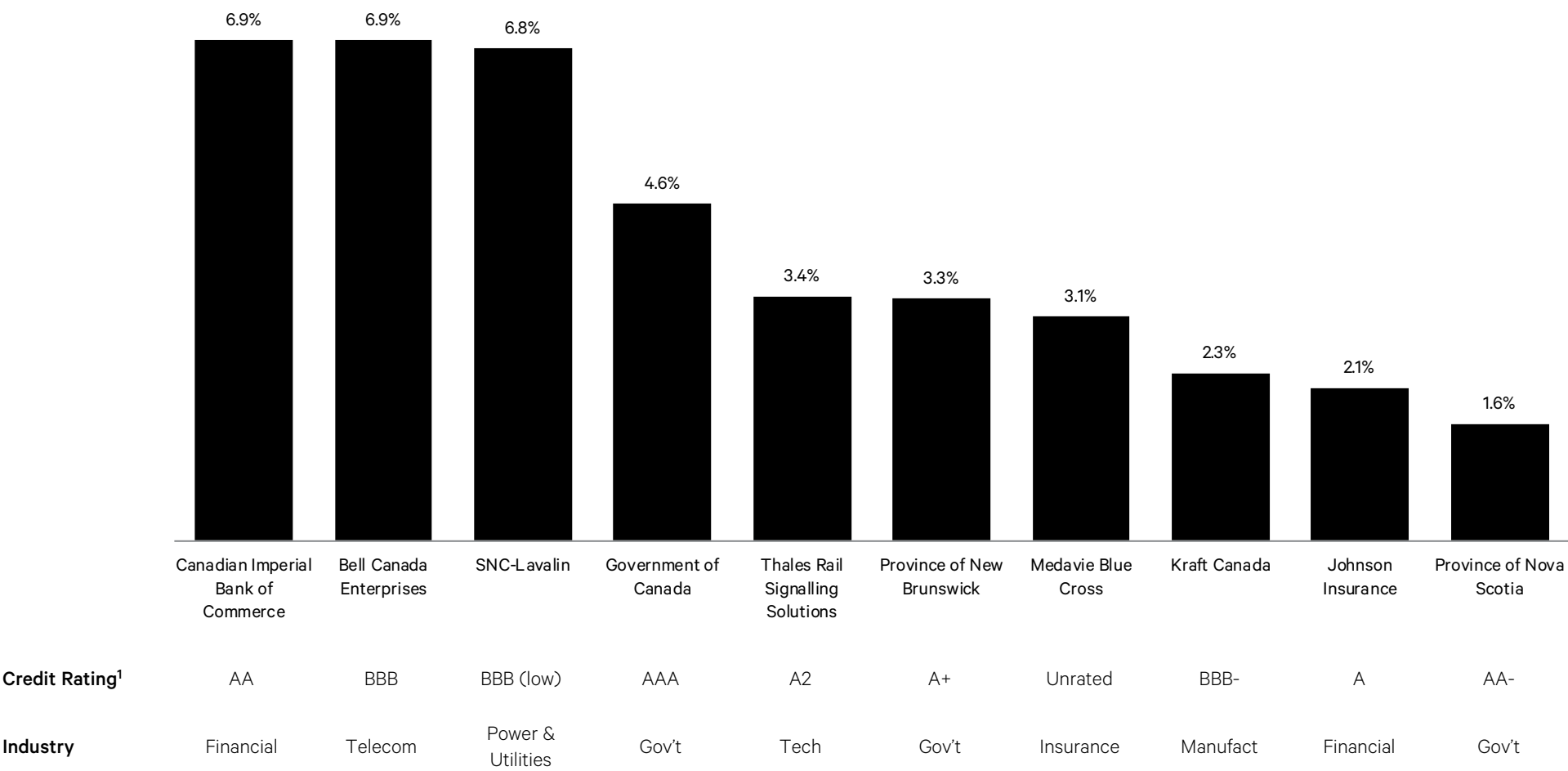
	SOT GTA Acquisitions		SOT U.S. Acquisitions ¹		Comparable Office Investment
Asset	West Metro Corporate Centre & Commerce West		20 South Clark & 120 South LaSalle		1 Adelaide
Location	Etobicoke, Ontario, Canada		Chicago, Illinois, United States		Downtown Toronto, Ontario, Canada
Price per Sq. Ft.	\$	233	\$	233	\$ 725
Replacement Cost per Sq. Ft.	\$	400	\$	550	\$ 550
Premium/(Discount) to Replacement Cost		(42%)		(58%)	32%
Occupancy at acquisition		91%		84%	99%
Premium/(Discount) to Market Rent		(15%)		(17%)	(4%)

¹ All figures shown in US\$

High Quality Tenant Base

Over 61% of base rent is derived from investment grade or government credit tenants

Top 10 Tenants

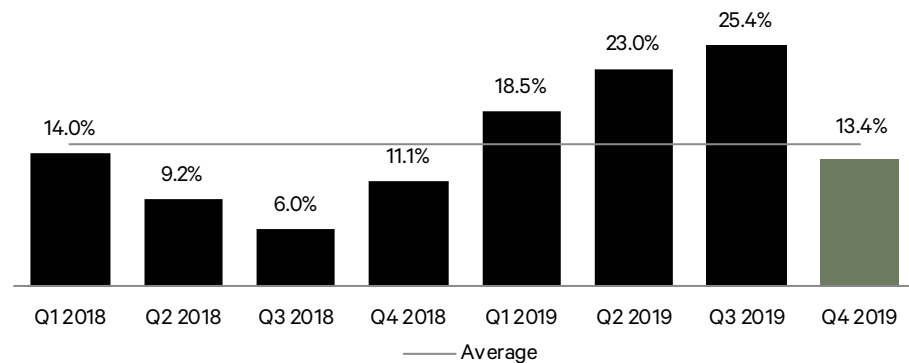


¹ Source: DBRS, Moody's and S&P

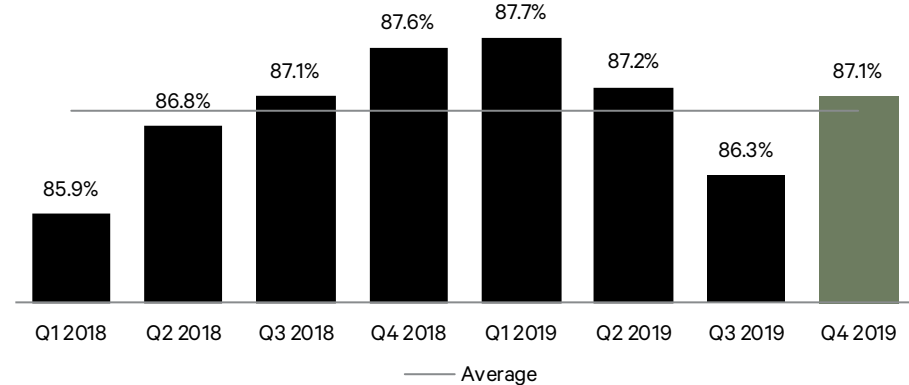
Proactive Asset Management

Strong operating results achieved through the REIT's strategic and hands-on asset management

Total Leasing Spreads (New & Renewal)

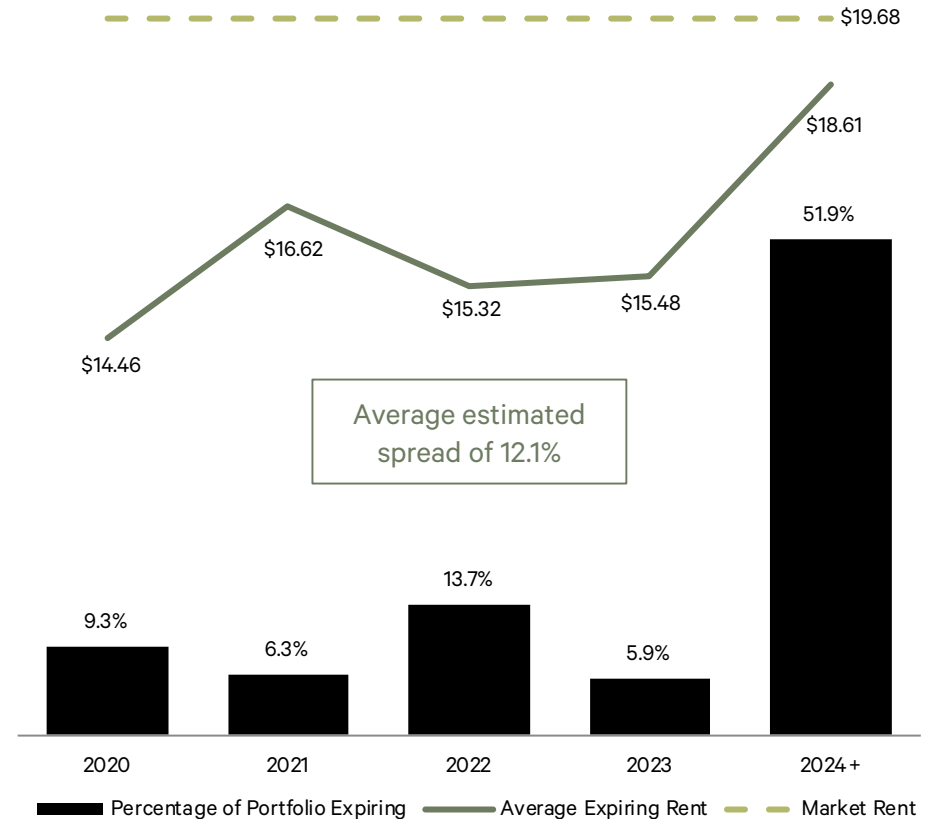


Occupancy



12.1% in-place discount to market rent will continue to drive organic earnings growth

In-Place vs. Market Rents



Value Creation – Case Study

Maritime Centre, Halifax, Nova Scotia



Investment Thesis

- Centrally located office tower in downtown Halifax, Nova Scotia with the largest floor plates in the market
- Known significant vacancy at acquisition provided opportunity to purchase at a low cost base (\$112 per sq. ft.)
- Reconstruction of lobby to refresh retail, tenant amenities and additional parking created the opportunity to reposition the asset

Success to Date

- Realized a 21% increase in committed occupancy and 30% increase in weighted average base rent
- Revitalized asset with strong market position with economic competitive advantage to new build
- Increased lease term by 1.5 years

At Acquisition - 2015

(\$Millions unless otherwise noted)

Equity investment	\$14.3
Purchase price	\$60.6
Price per sq. ft.	\$112
Committed occupancy	61.5%
Lease term	4.1 years

Expected Results

(\$Millions unless otherwise noted)

Cost basis ¹	\$75.7
Stabilized value	\$120 - \$130
Price per sq. ft.	\$226 - \$245
Occupancy	93.0%
Value created	\$44.3 - \$54.3

¹ Based on acquisition price plus capital and debt costs less net operating income

Value Creation – Case Study

Chicago Portfolio



Investment Thesis

- Centrally located downtown assets with roster of credit quality tenants, priced well below replacement cost (\$233 per sq. ft.) and in close proximity to one another
- Upside through active asset management with clear opportunity to raise occupancy and rents through repositioning, capital investment and a hands-on approach
- Opportunity for future redevelopment of parking garage adjacent to 120 S LaSalle

Success to Date

- Developed strong foundation in Chicago market while creating value and operating efficiencies
- Increased committed occupancy by 4.9% and weighted average base rent by 11.8% in just over a year of ownership
- Actively working with local partners on brand awareness and leasing interest

At Acquisition - 2018

(\$Millions unless otherwise noted)

Equity investment	\$84.5
Purchase price	\$241.2
Price per sq. ft.	\$233
Committed occupancy	84.3%
Lease term	8.6 years

Expected Results

(\$Millions unless otherwise noted)

Cost basis ¹	\$237.5
Stabilized value	\$290 - \$300
Price per sq. ft.	\$280 - \$290
Occupancy	95.0%
Value created	\$49.7 - \$59.7

¹Based on acquisition price plus capital and debt costs less net operating income

Track Record

Strategic asset dispositions allow us to extract capital at or above our net asset value, crystalize value creation and redeploy proceeds into new opportunities in higher quality assets



	895 Waverley & 1000 Waverley		225 Duncan Mill Road		5500 North Service Road		4211 Yonge Street		Total
Location	Winnipeg, Manitoba		Greater Toronto Area, Ontario		Burlington, Ontario		Greater Toronto Area, Ontario		
Sale price (C\$ Millions)	\$	21.3	\$	27.3	\$	52.2	\$	63.0	\$ 164
Internal rate of return		19%		50%		13%		19%	22%
Premium from purchase price		63%		20%		21%		46%	34%
Weighted average hold period		6.6 years		1.3 years		1.8 years		6.7 years	4.2 years
Sale date		Jun-19		Jul-19		Nov-19		Jan-20	
Sale thesis	Harvest value created and redeploy into new opportunities		Harvest value created and redeploy into new opportunities		Harvest value created and redeploy into new opportunities		Harvest value created and redeploy into new opportunities		

Well Positioned for Growth

The REIT is focused on deploying capital into new opportunities that will strengthen the quality of the portfolio and create incremental value for unitholders

Significant Acquisition Pipeline

- Robust acquisition pipeline in both new and existing markets across Canada and the United States
- Expect to begin executing on this pipeline in 2020

Growth Focus Areas

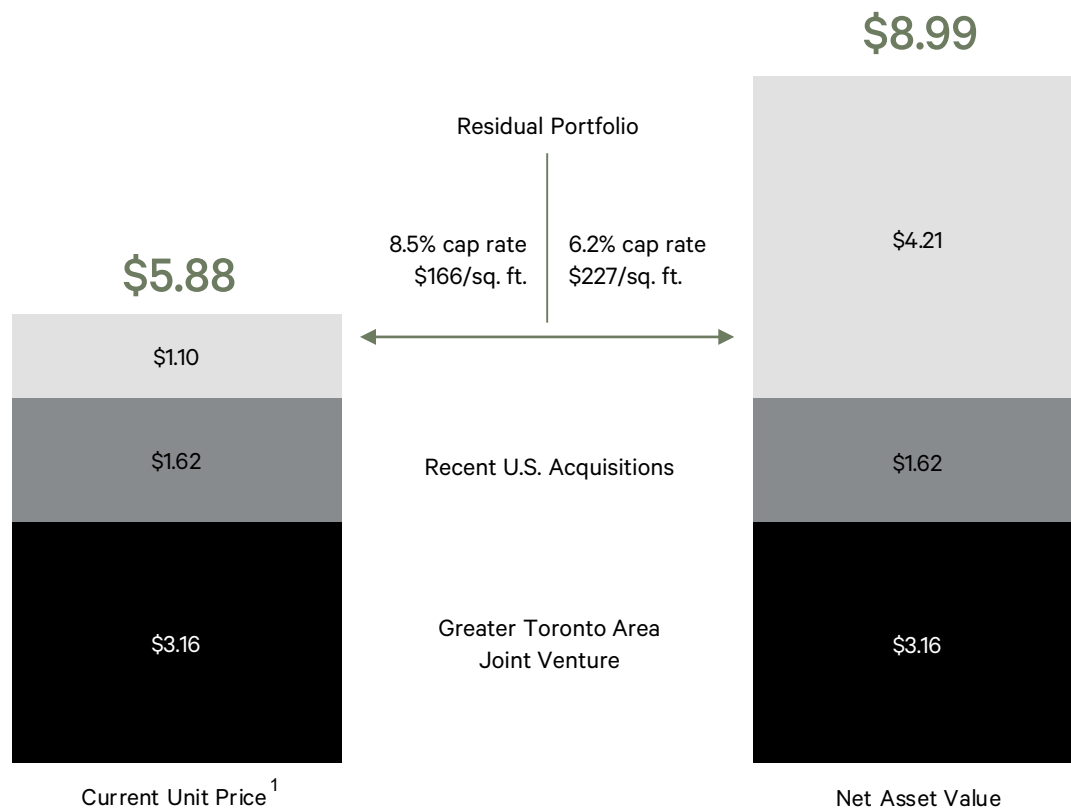
- Large, growing metropolitan areas with favourable economic drivers and demographics
- Markets that are attracting jobs with a lower cost of living and favourable tax rates

Key Growth Market Characteristics

- Population and employment growth
- Transit oriented
- Barriers to new supply
- Attractive to both established and emerging industries

Attractive Opportunity

Units are at a substantial discount to net asset value, providing potential for strong returns



6.8% distribution yield plus a 34.6% discount to NAV has potential for a 41.4% return¹

Investment Summary

01

Quality Portfolio

- 37 well located quality office assets in Canada and the U.S.
- Diversified tenant roster with over 61% of base rent derived from investment grade tenants

02

Solid Operational Results

- Strong leasing activity and market rental rate upside will continue to drive earnings growth

03

Experienced Manager

- Access to SLAM's best-in-class team of over 90 professionals that have completed over \$10 billion of real estate transactions

04

Total Return Investment

- Proven ability to generate high double digit returns
- Attractive yield and AFFO payout provides unitholders with a stable income stream

05

Net Asset Value Validation

- Recent market transactions completed by the REIT have validated over half of the REIT's net asset value

06

Compelling Entry Point

- Current trading discount relative to net asset value presents a compelling entry point

Appendix & Additional Information



Downtown Chicago, IL

Trading Comps

REIT	Price 27-Jan-2020	Market Cap ¹	Enterprise Value ¹	Premium to NAV ²	Current Yield ³	Implied Cap Rate	Price/AFFO ²		AFFO Payout Ratio ²	
							2020E	2021E	2020E	2021E
NorthWest Healthcare Properties REIT	\$ 12.23	\$ 2,103	\$ 5,399	4.1%	6.5%	5.5%	13.8x	12.9x	90.4%	84.7%
Artis REIT	\$ 12.02	\$ 1,658	\$ 4,773	(16.0%)	4.5%	7.0%	11.7x	11.2x	52.6%	50.1%
Dream Office REIT	\$ 32.73	\$ 2,012	\$ 3,053	15.0%	3.1%	4.6%	26.7x	24.8x	81.5%	75.7%
True North Commercial REIT	\$ 7.63	\$ 674	\$ 1,456	13.3%	7.8%	6.1%	12.8x	12.4x	99.6%	96.6%
Inovalis REIT	\$ 10.90	\$ 322	\$ 850	(1.5%)	7.6%	5.6%	13.9x	14.5x	104.9%	110.0%
Average				3.0%	5.9%	5.8%	15.8x	15.2x	85.8%	83.4%
Slate Office REIT	\$ 5.88	\$ 431	\$ 1,339	(25.2%)	6.8%	7.8%	9.8x	9.2x	66.8%	62.8%

Source: TD Securities; market data based on closing price as at January 27, 2020; financial information as at September 30, 2019 or latest available

¹ In millions; based on fully-diluted units outstanding

² Based on average of research analysts' estimates

³ Based on last distribution annualized

Property Listing

As of December 31, 2019	Property Address	Property Name	City	Ownership	Square Feet of GLA	Occupancy
U.S. Office						
1	20 South Clark Street		Chicago, IL	100.0%	381,607	85.1%
2	120 South LaSalle Street		Chicago, IL	100.0%	656,264	84.5%
Total U.S. Office					1,037,871	84.7%
GTA Office						
3	7030, 7050, 7100 Woodbine Avenue & 55, 85 Idema Road	Woodbine & Steeles Corporate Centre	Markham, ON	75.0%	359,541	93.0%
4	3000 – 3100 Steeles Avenue East	Gateway Centre	Markham, ON	75.0%	238,819	96.3%
5	2655 – 2695 North Sheridan Way	The Sheridan Exchange	Mississauga, ON	75.0%	158,322	85.0%
6	2285 Speakman Drive		Mississauga, ON	100.0%	127,419	100.0%
7	2599 Speakman Drive ¹		Mississauga, ON	100.0%	119,145	15.1%
8	2251 Speakman Drive		Mississauga, ON	100.0%	115,580	100.0%
9	1189 Colonel Sam Drive		Oshawa, ON	100.0%	103,179	100.0%
10	4211 Yonge Street		Toronto, ON	75.0%	170,679	73.6%
11	1 Eva Road		Toronto, ON	100.0%	91,963	87.3%
12	185 – 195 The West Mall	West Metro Corporate Centre	Toronto, ON	75.0%	618,384	91.1%
13	401 – 405 The West Mall	Commerce West	Toronto, ON	75.0%	412,532	90.6%
14	105 Moatfield Drive		Toronto, ON	100.0%	248,981	100.0%
15	95 Moatfield Drive		Toronto, ON	100.0%	156,426	100.0%
Total GTA Office					2,920,970	89.4%
Western Office						
16	280 Broadway Avenue ²		Winnipeg, MB	100.0%	105,341	86.2%
17	114 Garry Street		Winnipeg, MB	100.0%	74,246	100.0%
18	1450 Waverley Street	Bell MTS Data Centre	Winnipeg, MB	100.0%	64,000	100.0%
19	365 Hargrave Street		Winnipeg, MB	100.0%	70,719	100.0%
20	1870 Albert Street	Saskatchewan Place	Regina, SK	100.0%	84,775	70.4%
Total Western Office					399,081	90.1%

¹ Property under redevelopment

² Includes a seven-storey office building at 280 Broadway Avenue, a three-storey multi-family residential building located at 70 Smith Street and two parking lots located at 286 Broadway Avenue and 68 Smith Street; excludes occupancy from residential tenants at 70 Smith Street

Property Listing

As of December 31, 2019	Property Address	Property Name	City	Ownership	Square Feet of GLA	Occupancy
Atlantic Office						
21	440 King Street	Kings Place	Fredericton, NB	100.0%	295,799	91.9%
22	250 King Street		Fredericton, NB	100.0%	80,162	100.0%
23	460 Two Nations Crossing		Fredericton, NB	100.0%	50,229	100.0%
24	570 Queen Street		Fredericton, NB	100.0%	69,137	89.3%
25	644 Main Street	Blue Cross Centre	Moncton, NB	100.0%	320,154	99.3%
26	81 Albert Street		Moncton, NB	100.0%	64,954	100.0%
27	39 King Street ¹	Brunswick Square	Saint John, NB	100.0%	508,118	62.6%
28	4 Herald Avenue		Corner Brook, NL	100.0%	73,305	27.4%
29	100 New Gower Street	Cabot Place	St. John's, NL	100.0%	136,167	99.1%
30	10 Factory Lane	The Johnson Building	St. John's, NL	100.0%	188,170	100.0%
31	5 Springdale Street	Fortis Place	St. John's, NL	100.0%	142,973	79.1%
32	140 Water Street	TD Place	St. John's, NL	100.0%	102,879	71.7%
33	1505 Barrington Street	Maritime Centre	Halifax, NS	100.0%	531,032	87.8%
34	84 – 86 Chain Lake Drive		Halifax, NS	100.0%	77,979	85.6%
Total Atlantic Office					2,641,058	84.4%
Non-Office						
35	5404 36th Street SE	Doka Building	Calgary, AB	100.0%	36,000	100.0%
36	200 Manitoba 10	Walmart Flin Flon	Flin Flon, MB	100.0%	63,439	100.0%
37	307 – 311 Airport Road	Airport Road Shopping Centre	Yellowknife, NWT	100.0%	15,395	100.0%
Total Non-Office					114,834	100.0%
Total Portfolio					7,113,814	87.1%

¹ Includes Delta Brunswick Hotel

Analyst Coverage



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Cautionary Statements

Forward-Looking Statements

This presentation contains forward-looking information within the meaning of applicable securities laws. These statements include, but are not limited to, statements concerning the REIT's objectives, its strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Readers should not place undue reliance on any such forward-looking statements. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the REIT to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained herein. Such forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, the continued availability of mortgage financing and current interest rates; the extent of competition for properties; assumptions about the markets in which the REIT and its subsidiaries operate; the global and North American economic environment; and changes in governmental regulations or tax laws. Although the forward-looking information contained in this presentation is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in this presentation may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this presentation. Except as required by applicable law, the REIT undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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This presentation contains financial measures that do not have a standardized meaning under International Financial Reporting Standards ("IFRS") as prescribed by the International Accounting Standards Board. Slate Office uses the following non-IFRS financial measures: Funds from Operations ("FFO"), Adjusted Funds from Operations ("AFFO"), Net Operating Income ("NOI"), and Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"). Management believes that in addition to conventional measures prepared in accordance with IFRS, investors in the real estate industry use these non-IFRS financial measures to evaluate the REIT's performance and financial condition. Accordingly, these non-IFRS financial measures are intended to provide additional information and should not be considered in isolation or as a substitute for performance measures prepared in accordance with IFRS. In addition, they do not have standardized meanings and may not be comparable to measures used by other issuers in the real estate industry or other industries.

Use of Estimates

The preparation of the REIT financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management's estimates are based on historical experience and other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions.