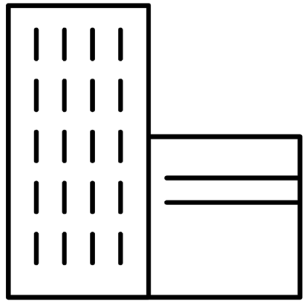
Slate Office REIT

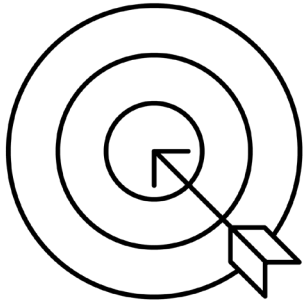
Investor Update

Q3 2021

SLATE

Slate Office REIT





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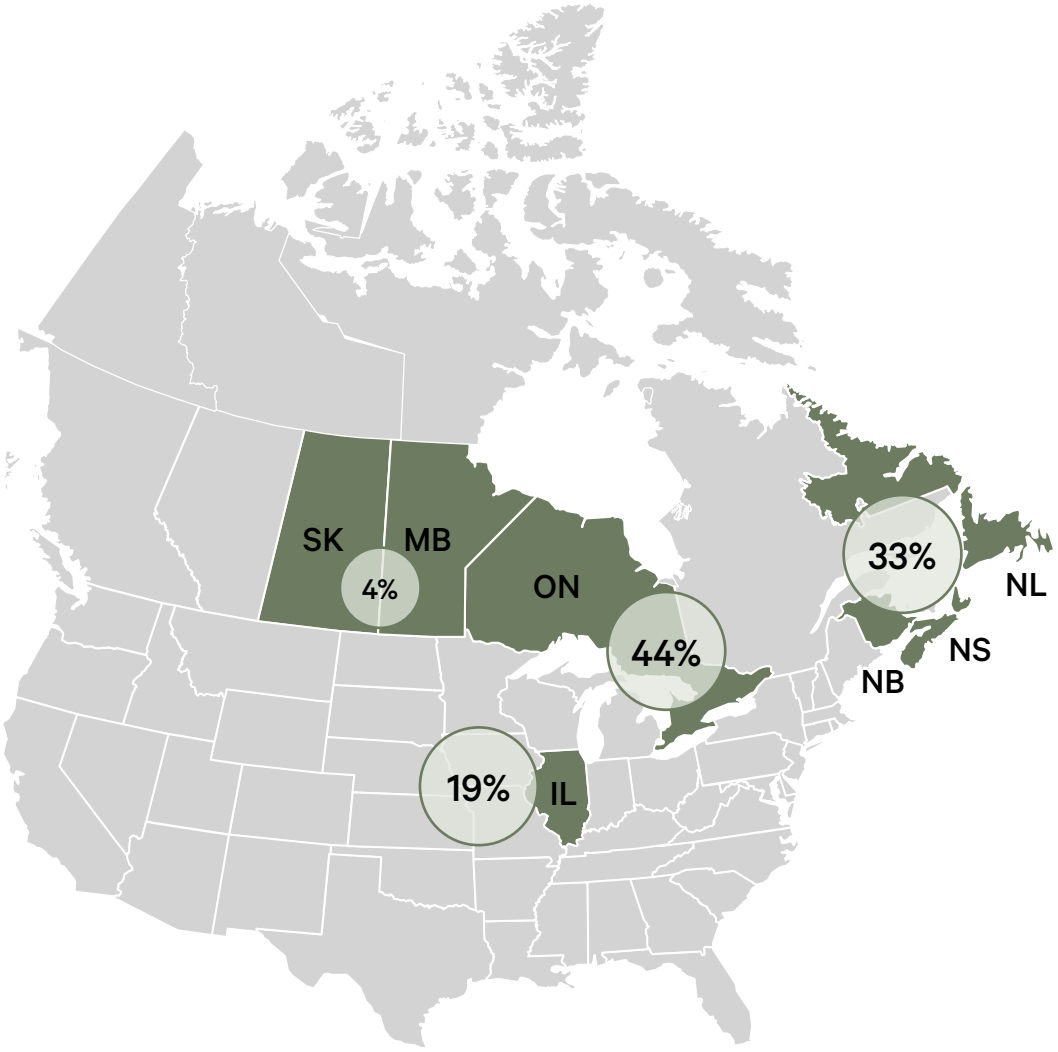
Pure-play office REIT	Quality assets in target markets with strong operating histories	Managed by Slate Asset Management, who owns 9.5% of the REIT

Mission Statement

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

Slate Office REIT

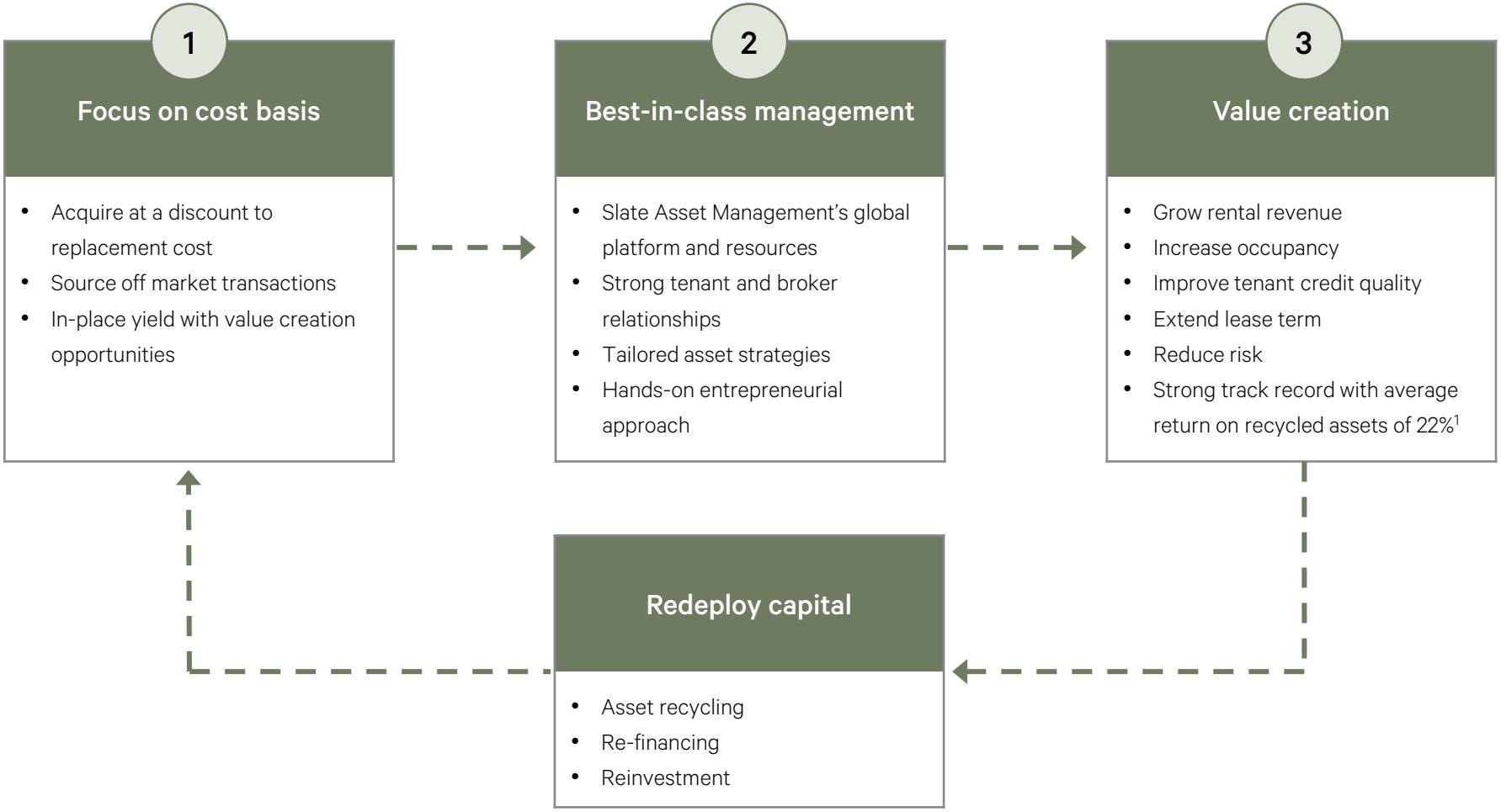
TSX	SOT.UN
32	Properties
6.8M	Square feet[1]
$1.7B	Total asset value
41%	Trading discount to IFRS net asset value[2]
7.7%	Distribution yield[2]



Note: As at September 30, 2021; geographic breakdown is based on 100% of the building's asset value, without taking ownership percentage into consideration.

[1] Presented at 100% of the building's gross leasable area, without taking ownership percentage into consideration.
[2] Pricing as at September 30, 2021.

Execution Strategy



[1] Return relates to dispositions over $5 million since 2019. See slide 16 for Slate Office REIT's track record.

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Investment Highlights

01 Durable cash flows with room for meaningful growth in rent and occupancy

61%
Base rent derived from government and credit rated tenants

5.3 years
Weighted average remaining lease term at Q3/21

02 Upside potential given current trading discount compared to net asset value and private real estate valuations

~41%[1]
Discount to IFRS net asset value per unit

~$4B+[2]
Recent private market transactions supporting REIT's values

03 Scalable platform for growth to capitalize on strong long-term office fundamentals

$2B+
Acquisition opportunities being underwritten

10-15%
Targeted levered returns

[1] Pricing as at September 30, 2021.
[2] See slide 22 for a list of recent comparable office transactions.

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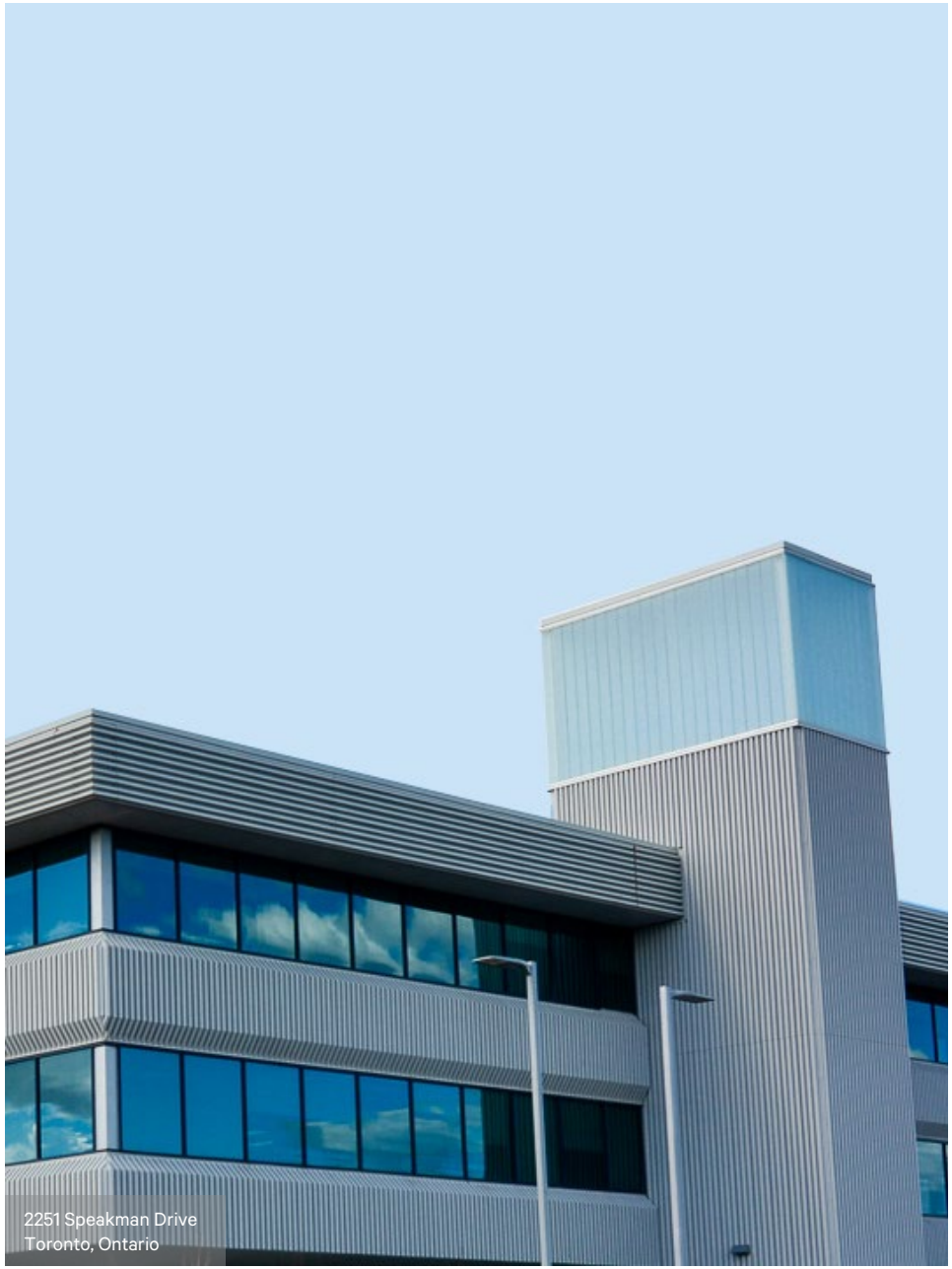
Operations Update



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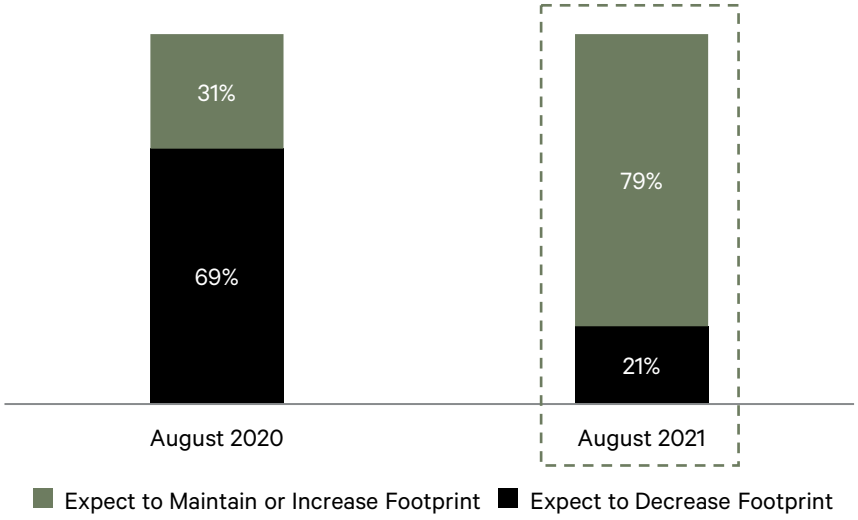
Office Space Demand

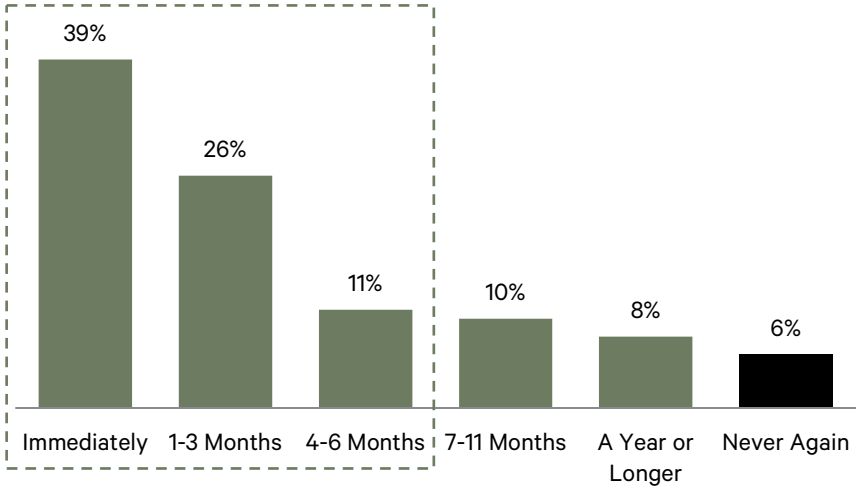
The impact of work from home is overblown

Global CEOs are becoming more likely to maintain or increase office footprints[1]



Employees expect to return to the office

Over 76% of employees expect to return to the office within six months following herd immunity[2]

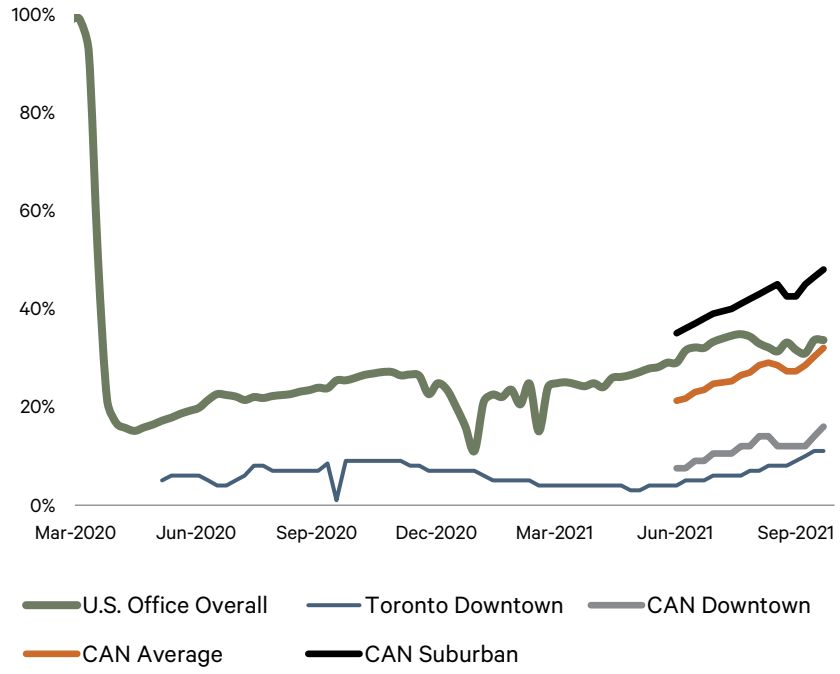


[1] KPMG CEO Outlook Pulse Survey, 2021.
[2] Cushman & Wakefield – Predicting the Return to the Office, 2021; The Harris Poll, 2021.

Suburban vs. Urban

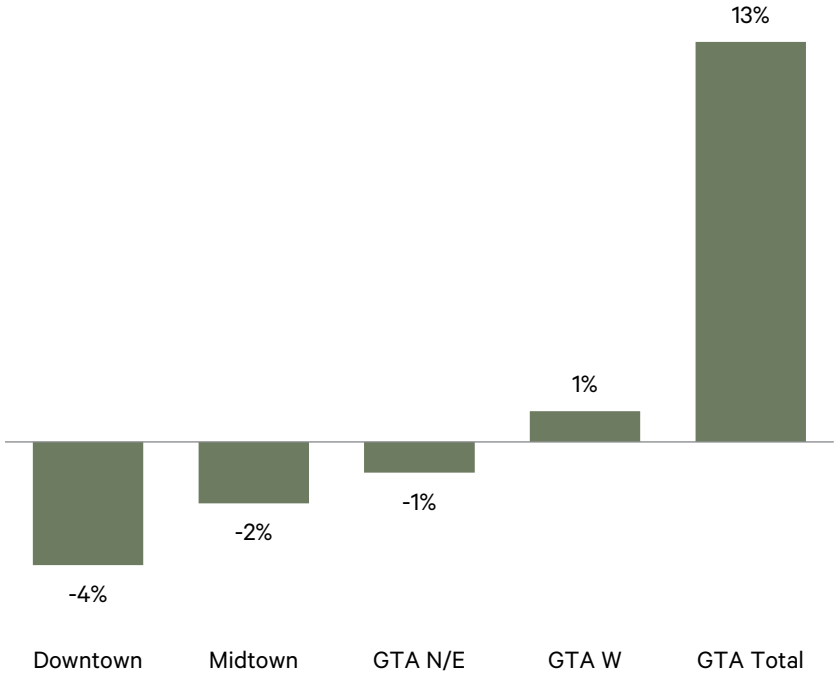
Office Utilization Rates

Canadian suburban markets continue to report the highest utilization rates in North America[1]



Rental Rate Growth by Market

The Greater Toronto West node is the only submarket to post positive rental rate growth in Q3[2]



[1] Source: Colliers, Kastle Systems, Strategic Regional Research Alliance, Sept. 22, 2021.
[2] Source: Colliers Toronto Office Market Report Q3 2021; Date range Q3 2020 – Q3 2021.

Operating Fundamentals

1

Durable cash flows

Strong credit tenancies

- 61% of portfolio is government or credit-rated tenants

Weighted average lease term

- Long-term, contractual cash flows with weighted average remaining lease term of 5.3 years

Conservative payout ratio

- Conservative payout ratio of 66.1% compares favourably to peers

2

Organic growth profile

Positive rent spreads

- 10.7% since January 2020

Below market occupancy

- Upside potential from current occupancy of 83.3%

Best-in-class management

- Slate Asset Management provides significant resources and bench strength
- Proprietary cloud-based asset management, transaction and analytics software platform managed by a team of software engineers

Note: As at September 30, 2021.

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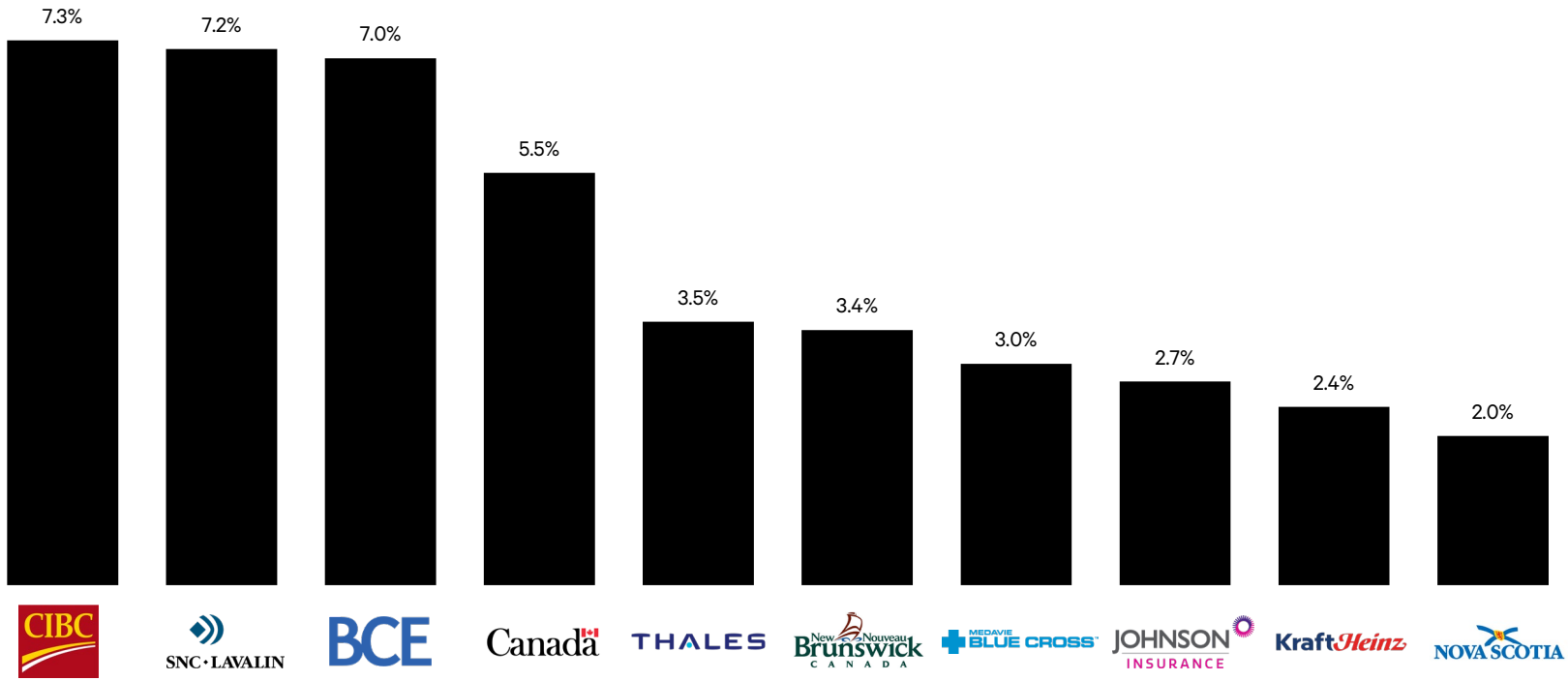
High Quality Tenant Base

44% of base rent is derived from Slate Office REIT's top ten tenants[1]



Credit Rating[2]	A+	BB+	BBB+	AAA	BBB+	A+	Unrated	A1	BB+	AA-
Industry	Financial	Power & Utilities	Telecom	Government	Engineering	Government	Insurance	Insurance	Manufacturing	Government

[1] Percentage amounts are a function of annual base rent.
[2] Source: DBRS, Moody's and S&P as at September 30, 2021.

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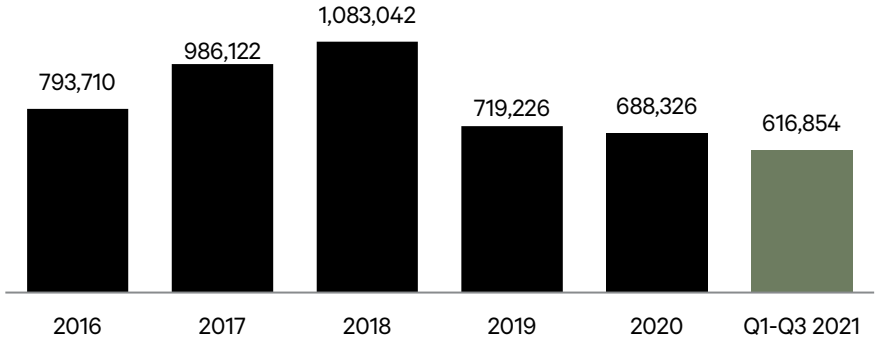
Embedded Organic Growth

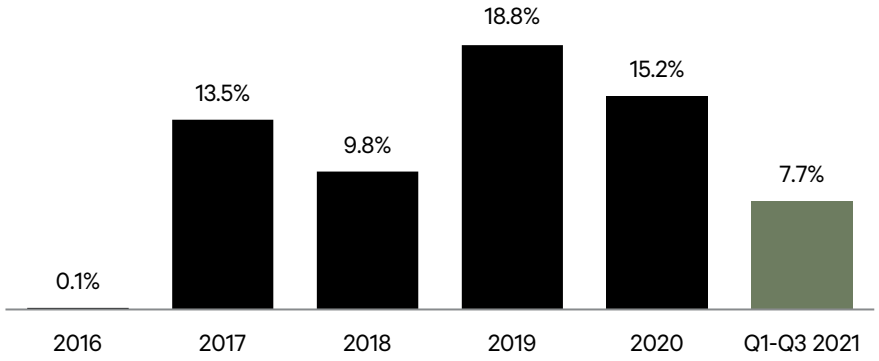
Total Leasing Activity (New and Renewal)



Strengthening leasing volumes

Q3 leasing volumes highlight strengthening office market fundamentals and upside potential

Total Leasing Spreads (New and Renewal)



Rental rate upside

8.5% in-place discount to market rent will continue to drive organic earnings growth

Value Creation Initiatives

Opportunities to re-invest capital into assets to earn outsized returns

Case study: Maritime Centre – Halifax, Nova Scotia

1 Initial Investment

- Acquired for $60.6 million ($112 per sq. ft.) in June 2015

2 Success to Date

- 30% increase in base rent
- 25% increase in occupancy

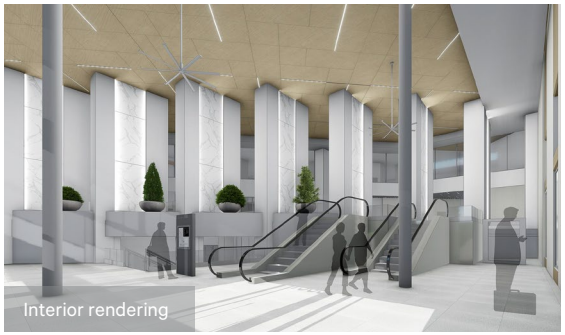
3 Debt Refinancing

- Refinanced at $109 million valuation ($208 per sq. ft.) in April 2020

4 Expected Value Creation

- Expected value upon completion of $130 million ($240 per sq. ft.)
- Gross value creation of $70 million and return of 30%

Exterior rendering


Interior rendering

Exterior rendering

Note: As at September 30, 2021.

Valuation Disconnect

20 South Clark Street
Chicago, Illinois

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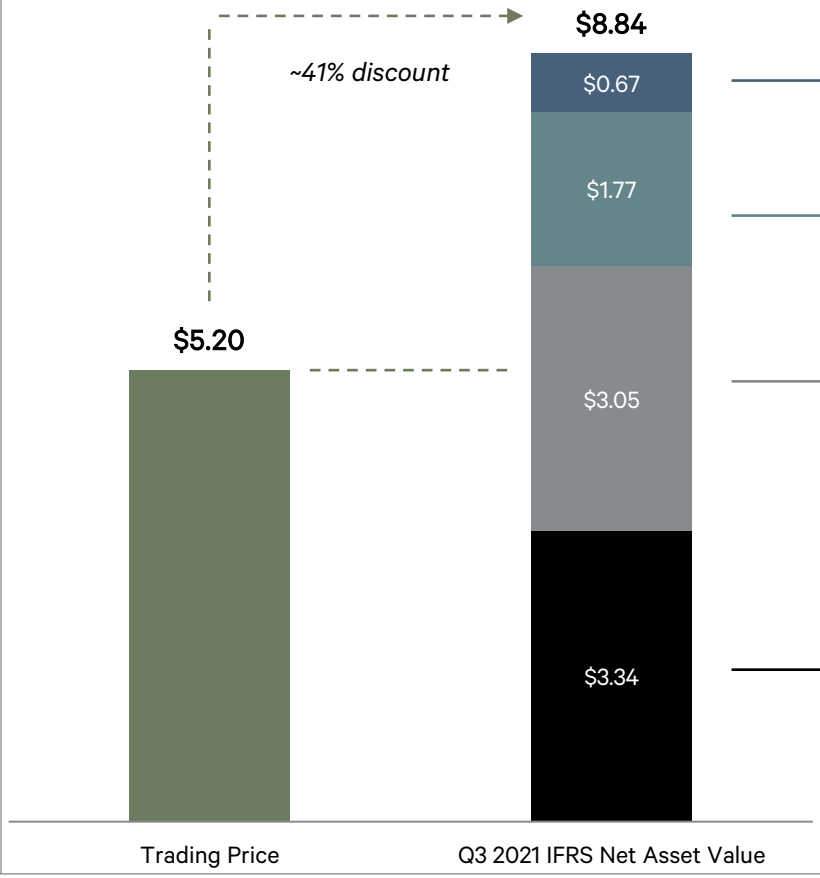
Public/Private Real Estate Valuation Disconnect

Recent market transactions support the REIT's net asset value and highlight the disconnect between public and private real estate valuations

Slate Office REIT – Trading Price vs. Net Asset Value



Western Canada

$190 per sq. ft.[1]
(Comps avg. $237 per sq. ft.)

Downtown Chicago

US$326 per sq. ft.
(Comps avg. US$358 per sq. ft.)

Atlantic Canada

$216 per sq. ft.
(Comps avg. $253 per sq. ft.)

Greater Toronto Area

$316 per sq. ft.
(Comps avg. $339 per sq. ft.)

Note: IFRS net asset values as at September 30, 2021; pricing as September 30, 2021; all amounts in C$ unless otherwise noted.
[1] Slate Office REIT's data centre in Winnipeg, Manitoba is not included in this figure.

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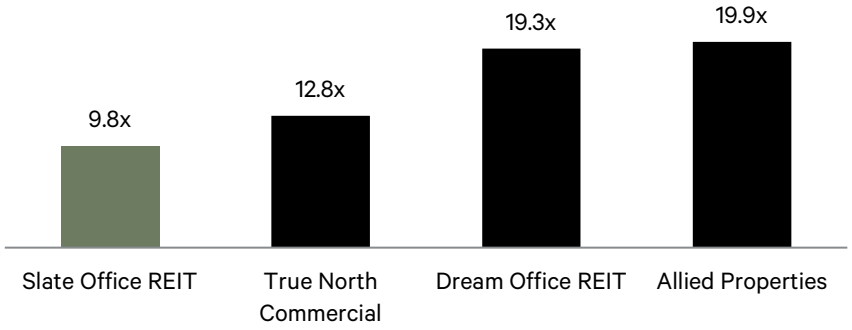
The Investment Opportunity

Trading at an attractive valuation relative to office peers[1]

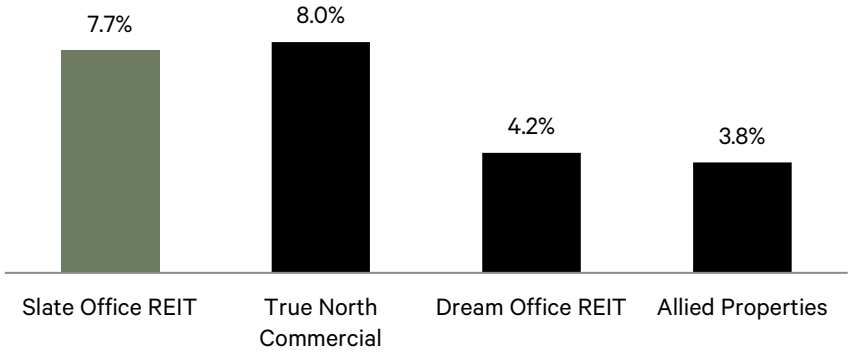
2022E AFFOx



Compelling entry point

Current pricing represents an attractive entry point with the potential for significant capital appreciation

Strong distribution yield among office REIT peers[1]



Attractive distribution yield

Slate Office REIT's 7.7% distribution yield is well-covered and among the highest in the REIT sector

[1] S&P Capital IQ as at November 3, 2021.

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Track Record

Proven track record of selling at or above net asset value and recycling proceeds into higher quality opportunities

	895 Waverley & 1000 Waverley	225 Duncan Mill Road	5500 North Service Road	4211 Yonge Street	307-311 Old Airport Road	1 Eva Road	Total
Location	Winnipeg, Manitoba	Greater Toronto Area, Ontario	Greater Toronto Area, Ontario	Greater Toronto Area, Ontario	Yellowknife, Northwest Territories	Greater Toronto Area, Ontario	
Sale price (C$ Millions)	21.3	27.3	52.2	63.0	6.2	34.0	**204.0**
Internal rate of return	18.8%	50.0%	13.0%	17.9%	16.0%	25.0%	**22.2%**
Weighted average hold period	6.6 years	1.3 years	1.6 years	6.7 years	7.8 years	6.9 years	**4.7 years**
Sale date	Jun-19	Jul-19	Nov-19	Jan-20	Oct-20	Oct-21	

Note: Table includes dispositions since 2019 with a sale price greater than $5 million.

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Growth Strategy

Downtown Chicago, Illinois

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Growth Strategy

1

Why is growth important?

Scale and diversification

- Increases the portfolio's scale and further diversifies the REIT's income

Access to and cost of capital

- Growth will ensure broader access to and a reduced cost of both debt and equity capital

Trading volume

- Improved trading liquidity will increase access for institutional and retail investors

2

How and where will Slate Office grow?

Transformative acquisitions

- Management will focus on larger, more transformative acquisitions

Creative transaction structures

- Leverage Slate Asset Management who has a proven track record of executing creative transactions

Growth markets

- Focusing on growing markets with favourable demographics, primarily in the United States, Greater Toronto Area and Europe where Slate Asset Management has a presence

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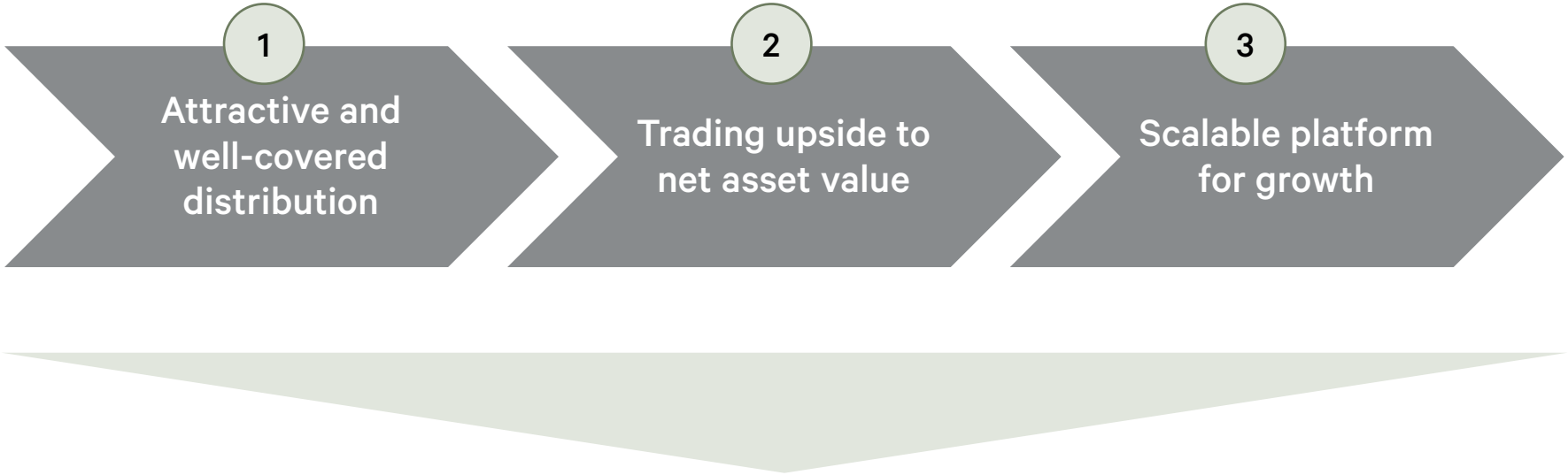
Closing Thoughts



Compelling investment opportunity

Additional Information

120 South LaSalle Street
Chicago, Illinois

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Office Transaction Comparables

Date	Property	City	Area (SF)	Price	Price PSF	Cap Rate	Occupancy	Purchaser	Vendor
Greater Toronto Area Office									
Under Contract	Allstate Corporate Centre	Markham	577,214	$ 183,000,000	$ 317	6.75%	97.0%	*Pending*	Crown Realty Partners, Crestpoint RE Inv.
Under Contract	175 Commerce Valley Drive	Markham	113,274	30,000,000	265	n/a	90.0%	*Pending*	Standard Life
10/7/2021	Bell Creekbank Campus	Mississauga	1,100,000	443,400,000	403	7.00%	100.0%	Oak Street RE Capital	H&R REIT
10/5/5021	Meadowvale Court I&II	Mississauga	143,975	49,000,000	340	n/a	80.0%	CanFirst Capital Management	Europro Inc.
9/14/2021	Steeles Technology Campus	Markham	644,146	207,100,000	338	5.50%	93.0%	Crestpoint RE Inv.	Crestpoint RE Inv., PSP, NA Development
7/5/2021	2630 & 2680 Skymark Ave	Mississauga	250,233	57,400,000	230	6.00%	83.0%	Crown Realty Partners	2630-2680 Skymark L.P.
2/3/2021	55 & 105 Commerce Valley Drive	Markham	375,255	115,000,000	306	6.35%	93.6%	Soneil Investments	Northam Realty Advisors
Greater Toronto Area Office - Total / Avg.			**3,204,097**	**$ 1,084,900,000**	**$ 339**	**6.51%**		← *Above SOT's Greater Toronto Area portfolio valuation of $316 PSF[1]*	
Chicago Office									
Under Contract	2 N Lasalle	Chicago	708,518	$ 180,000,000	$ 254	7.20%	74.0%	Foundation Capital Partners	The Hearn Company
Under Contract	200 W Jackson	Chicago	487,436	132,000,000	271	7.25%	94.4%	Nightingale Properties	White Oak / Angelo Gordon & Co.
Under Contract	35 W Wacker	Chicago	1,118,148	420,000,000	376	7.70%	99.9%	Opal Holdings	UBS
7/31/2021	555 W Monroe	Chicago	430,000	70,000,000	163	n/a	0.0%	State of Illinois	Principal Global Investors
7/19/2021	1000 W Fulton	Chicago	531,190	355,000,000	668	4.70%	99.2%	Office Properties Income Trust	American Realty
7/18/2021	210 N Carpenter	Chicago	203,589	160,000,000	786	4.50%	94.0%	Deka Immoblien	Sterling Bay
8/1/2020	33 S Wabash (CNA Center) 2020	Chicago	1,205,458	370,000,000	307	5.40%	90.0%	SHVO / Deutsche Finance / BLG Capital	Morgan Stanley / The John Buck Company
5/12/2020	225 W Wacker	Chicago	650,812	210,000,000	323	4.10%	95.5%	Spear Street	Mirae Asset Management
12/1/2019	500 W Monroe 2019	Chicago	966,924	412,000,000	426	7.10%	99.0%	Spear Street Capital	Piedmont Office Realty Trust
12/1/2019	190 S Lasalle	Chicago	798,782	230,000,000	288	7.00%	88.6%	Beacon Capital Partners	Tishman Speyer
Chicago Office - Total / Avg.			**7,100,857**	**US$ 2,539,000,000**	**US$ 358**	**3.85%**		← *Above SOT's Chicago portfolio valuation of US$326 PSF[1]*	
Atlantic Canada Office									
6/29/2020	18 Hebron Way	St. John's	97,000	$ 33,400,000	$ 344	n/a	100.0%	ExxonMobil	KMK Properties
2/12/2020	6080 Young Street	Halifax	141,000	26,700,000	189	7.50%	95.0%	F.S. Industries (Eastlink)	Choice REIT
Atlantic Canada Office - Total / Avg.			**238,000**	**$ 60,100,000**	**$ 253**	**7.50%**		← *Above SOT's Atlantic Canada portfolio valuation of $216 PSF[1]*	
Western Canada Office									
12/31/2020	730 Taylor Ave	Winnipeg	10,024	$ 2,550,000	$ 254	n/a	n/a	n/a	n/a
12/31/2020	500 Dovercourt	Winnipeg	7,508	1,473,000	196	n/a	n/a	n/a	n/a
12/31/2020	211 Bannatyne	Winnipeg	5,307	1,400,000	264	n/a	n/a	n/a	n/a
Western Canada Office - Total / Avg.			**22,839**	**$ 5,423,000**	**$ 237**	**n/a**		← *Above SOT's Western Canada portfolio valuation of $190 PSF[1]*	

Note: all amounts in C$ unless otherwise noted.
[1] PSF denotes per square foot.

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Strong Corporate Governance

	Independent	Audit Committee	Investment Committee	Compensation, Governance and Nominating Committee
Thomas Farley (Chair)	Yes	Member	Chair	Member
Monty Baker	Yes	Chair	Member	Member
Lori-Ann Beausoleil	Yes	Member		Member
Nora Duke	Yes	Member	Member	
Meredith Michetti	Yes			Chair
Blair Welch	No		Member	
Brady Welch	No			

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Property List

	Property Address	Property Name	City	Ownership	Square Feet of GLA	Occupancy
United States Office						
1	20 South Clark Street		Chicago, IL	100.0%	369,935	83.5%
2	120 South LaSalle Street		Chicago, IL	100.0%	656,114	87.8%
Total United States Office					**1,026,049**	**86.3%**
Greater Toronto Area Office						
3	7030, 7050, 7100 Woodbine Avenue & 55, 85 Idema Road	Woodbine & Steeles Corporate Centre	Markham, ON	75.0%	359,541	86.8%
4	3000 – 3100 Steeles Avenue East	Gateway Centre	Markham, ON	75.0%	244,887	88.8%
5	2655 – 2695 North Sheridan Way	The Sheridan Exchange	Mississauga, ON	75.0%	158,233	89.0%
6	2285 Speakman Drive		Mississauga, ON	100.0%	127,419	100.0%
7	2599 Speakman Drive		Mississauga, ON	100.0%	127,782	52.3%
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	185 – 195 The West Mall	West Metro Corporate Centre	Toronto, ON	75.0%	618,336	93.6%
11	401 – 405 The West Mall	Commerce West	Toronto, ON	75.0%	412,450	89.0%
12	105 Moatfield Drive		Toronto, ON	100.0%	248,981	88.8%
13	95 Moatfield Drive		Toronto, ON	100.0%	156,426	100.0%
Total Greater Toronto Area Office					**2,672,814**	**90.0%**
Western Office						
14	280 Broadway Avenue[1]		Winnipeg, MB	100.0%	105,341	86.2%
15	114 Garry Street		Winnipeg, MB	100.0%	74,246	100.0%
16	1450 Waverley Street	Bell MTS Data Centre	Winnipeg, MB	100.0%	64,218	100.0%
17	365 Hargrave Street		Winnipeg, MB	100.0%	70,719	100.0%
18	1870 Albert Street	Saskatchewan Place	Regina, SK	100.0%	84,862	60.1%
Total Western Office					**399,386**	**87.9%**

[1] 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 List

	Property Address	Property Name	City	Ownership	Square Feet of GLA	Occupancy
Atlantic Office						
19	440 King Street	Kings Place	Fredericton, NB	100.0%	298,128	80.0%
20	250 King Street		Fredericton, NB	100.0%	80,162	100.0%
21	460 Two Nations Crossing		Fredericton, NB	100.0%	50,229	100.0%
22	570 Queen Street		Fredericton, NB	100.0%	69,137	47.4%
23	644 Main Street	Blue Cross Centre	Moncton, NB	100.0%	320,154	94.5%
24	81 Albert Street		Moncton, NB	100.0%	64,954	100.0%
25	39 King Street[1]	Brunswick Square	Saint John, NB	100.0%	507,010	61.7%
26	100 New Gower Street	Cabot Place	St. John's, NL	100.0%	136,715	38.9%
27	10 Factory Lane	The Johnson Building	St. John's, NL	100.0%	210,863	75.5%
28	5 Springdale Street	Fortis Place	St. John's, NL	100.0%	142,973	78.2%
29	140 Water Street	TD Place	St. John's, NL	100.0%	102,747	37.4%
30	1505 Barrington Street	Maritime Centre	Halifax, NS	100.0%	528,400	83.3%
31	84 – 86 Chain Lake Drive		Halifax, NS	100.0%	78,203	87.0%
Total Atlantic Office					**2,589,675**	**75.4%**
Non-Office						
32	200 Manitoba 10	Walmart Flin Flon	Flin Flon, MB	100.0%	63,439	100.0%
Total Non-Office					**63,439**	**100.0%**
Total Portfolio					**6,751,363**	**83.3%**

[1] GLA and occupancy stats do not include the Delta Brunswick Hotel.

Analyst Coverage

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Disclaimer

Forward-Looking Statements

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Non-IFRS Measures

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. The REIT 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.

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