inovalis
REIT

European commercial real estate managed by a local expert

2023 Annual General Meeting

May 9, 2023

Disclaimer

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This presentation contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) within the meaning of applicable securities laws. Forward looking information may relate to our financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, budgets, occupancy rates, rental rates, productivity, projected costs, capital investments, development and development opportunities, financial results, taxes, plans and objectives of or involving the REIT. Particularly, information regarding our expectations of future results, performance, achievements, prospects, costs, opportunities and financial outlook, including those relating to acquisition and capital investment strategies and the real estate industry generally, are forward-looking statements. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or, “will”, “occur” or “be achieved”, and similar words or the negative of these terms and similar terminology. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances. This forward-looking information is based on our opinions, estimates and assumptions that, while considered by the REIT to be appropriate and reasonable as of the date of this presentation, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to: (i) the REIT’s ability to execute its growth and capital deployment strategies; (ii) the impact of changing conditions in the European office market; (iii) the marketability and value of the REIT’s portfolio; (iv) changes in the attitudes, financial condition and demand in the REIT’s demographic markets; (v) fluctuation in interest rates and volatility in financial markets; (vi) the geopolitical conflict in the Ukraine and Russia on the REIT’s business, operations and financial results; (vii) general economic conditions, including any continuation or intensification of the current economic downturn; (viii) developments and changes in applicable laws and regulations; and (ix) such other factors discussed in greater under the “Risk Factors” sections of our latest Annual Information Form available under our profile on SEDAR at www.sedar.com and at www.sec.gov.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. No forward-looking statement is a guarantee of future results. Accordingly, you should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this presentation represents our expectations as of the date specified herein and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

All of the forward-looking information contained in this presentation is expressly qualified by the foregoing cautionary statements.

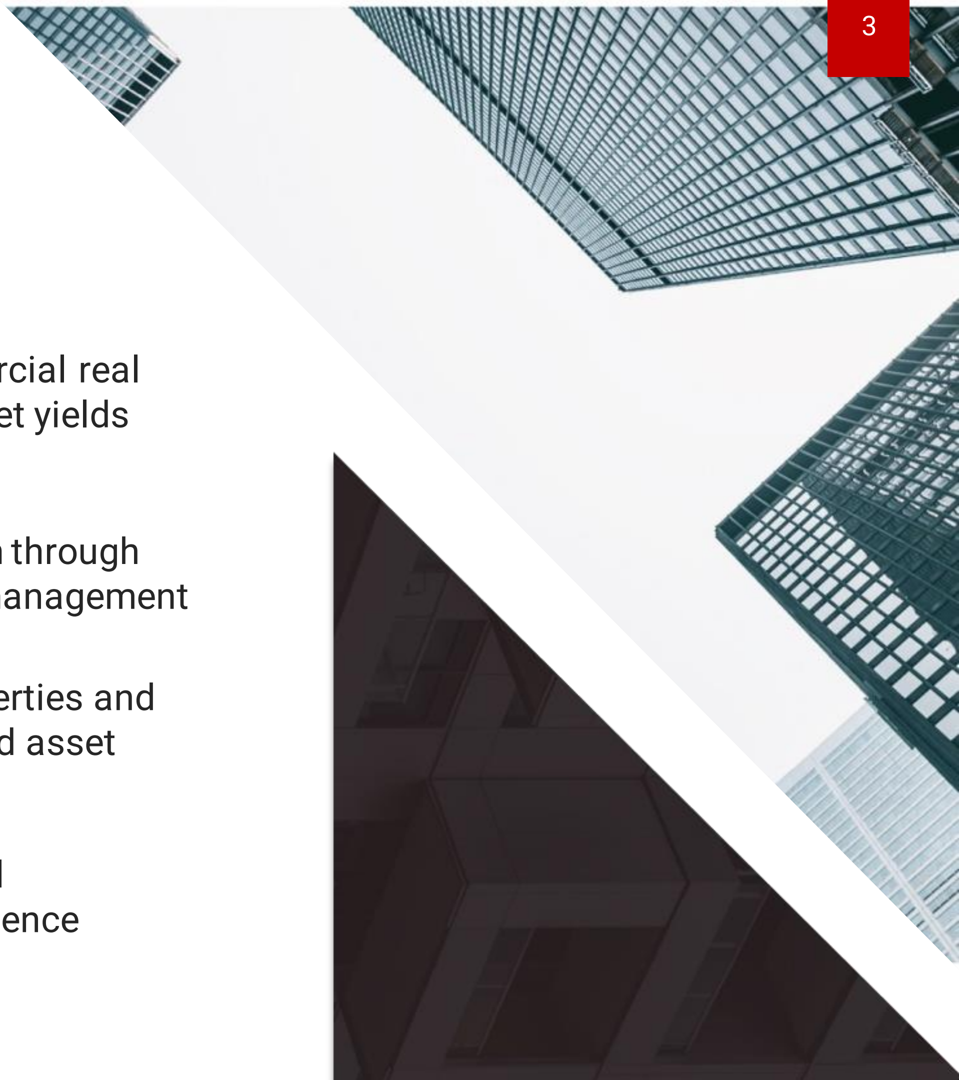
Non-IFRS Measures and Industry Metrics

This presentation makes reference to non-IFRS measures, including “AFFO / Unit”, “Debt-to-Book Value” and “Weighted Average Lease Term” or “WALT”. These measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore not necessarily comparable to similar measures presented by other companies. Management includes theses measures as they represent key performance indicators to management, and it believes certain investors use these measures as a means of assessing relative financial performance. These measures, as computed by the REIT, may differ from similar computations as reported by other entities, and accordingly, may not be comparable to other such entities. These measures should not be considered in isolation or used in substitute for other measures of performance prepared in accordance with IFRS. **Refer to the Appendix to this presentation for a description, and if applicable, a reconciliation to the most comparable IFRS measure, in respect of such non-IFRS measures.**

Key features

INOVALIS REIT

- Operates in attractive markets for commercial real estate, with 150bp+ spreads between asset yields and borrowing costs
- Maintains a solid level of cash distribution through accretive acquisitions[1] and active asset management
- Maximizes the long-term value of its properties and the NAV/unit[1] through active / value-added asset management
- Readily available debt financing from local lenders thanks to local network and experience



1. Refer to the Appendix to this presentation for a description

Progress report for Growth

CORE+ *STRATEGY:* UPDATE

- Capital earmarked during covid / strategic review period deployed as of end Q1 2022, in assets accretive to AFFO/unit[1] on a normalized leverage neutral basis of 50%.
- Investment focus continues to be Paris area and Germany; started expansion to Spain.
- Gradual exit from joint ventures (“JV”)[1] through equity stakes buyback or asset sales, to simplify structure/governance and lower SG&A expense, in discussions with 2 remaining JV partners.
- Capital recycling: sell mature assets where value can be maximized, as evidenced by the sale of Courbevoie property in December 2022 and advanced discussions on Sablière, Baldi and Arcueil.
- Invest in higher return AFFO[1] accretive opportunities[1], including remaining interest in joint venture-held assets.

1. Refer to the Appendix to this presentation for a description

2022 - Key Performance Indicators

A STEADY AND CONTROLLED GROWTH

8 Wholly Owned Assets

5 Jointly Owned Assets

86.6% Occupancy Rate

$127M Market Cap[1,2,3]

$579M Valuation

18.2% Distribution Yield[2]

$29.2M NOI[1] 2022

~1.5M Gross Leasable Area [1](sq. ft.)

3.0 years Weighted Average Lease Term[1]

50.5% Debt-to-book value[1]

56.4% Trading discount to IFRS NAV

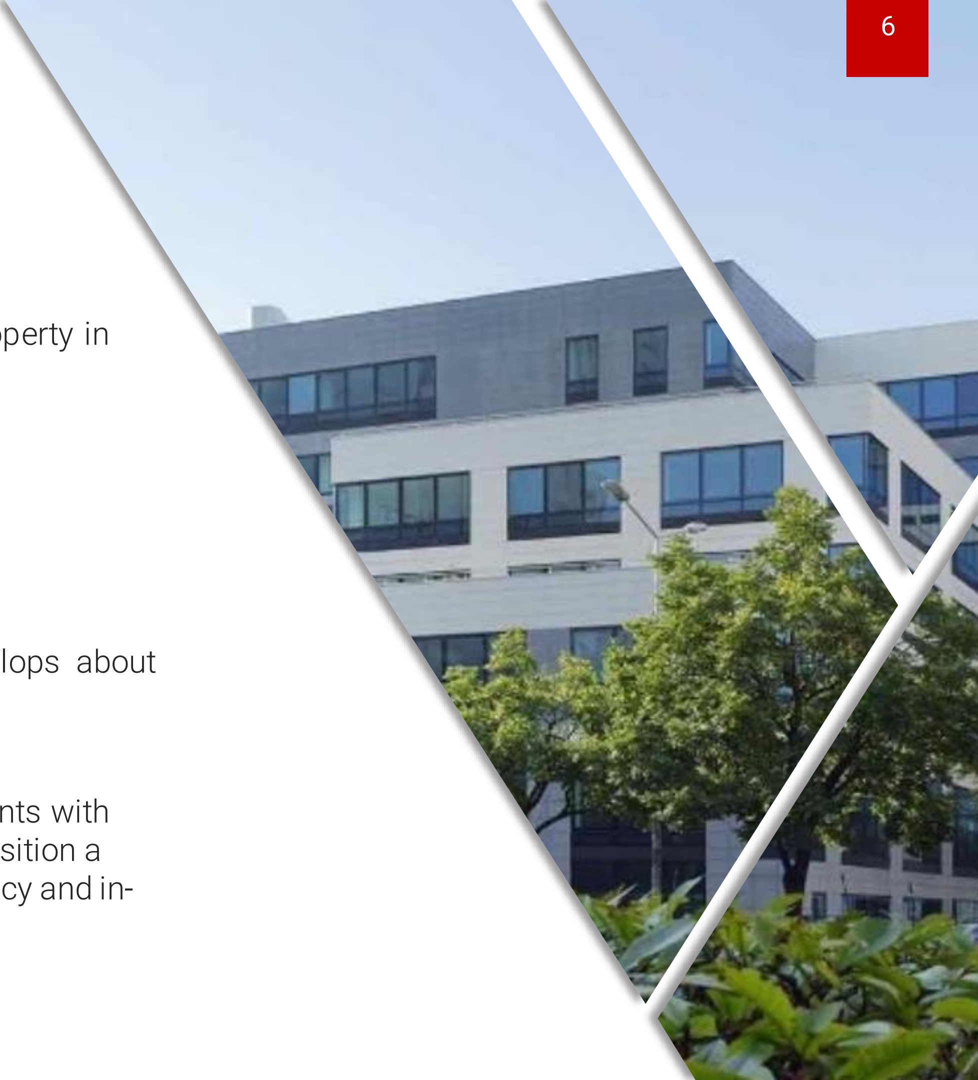
Note : Key figures as at Dec 31, 2022. The closing EUR/CAD exchange rate as at this date was 1.4505

1. Refer to the Appendix to this presentation for a description. Weighted average lease term including early termination rights equal to 2.5 years.
2. Distribution yield, market cap and trading discount to IFRS NAV have been calculated based on the unit price as at December 31, 2022.
3. Includes units related to the Inovalis S.A. related promissory notes

2022 Highlights

GAIA – NEW ACQUISITION IN PARIS AREA

- In March 2022, Inovalis REIT acquired its seventh property in Paris area, with the Gaia building near La Defense.
- A high-quality and competitive office property, with 2 environmental certifications (HQE and BBC Effinergie)
- This $56M asset (including acquisition costs) develops about 120,000 sq.ft. of lettable space over 5 floors.
- The building is 84% let to diversified creditworthy tenants with WALT[1] of 6.1 years, and the REIT obtained upon acquisition a $3.4m cash rental guarantee that covers 3-year vacancy and in-place rent-free periods.



1. Refer to the Appendix to this presentation for a description

DELGADO - FIRST ACQUISITION IN MADRID

- In March 2022, Inovalis REIT entered the Spanish real estate market with its first acquisition in Alcobendas, in the North of Madrid.
- A high-quality and competitive office property, from MERLIN Properties, one of the leading Spanish REITs listed on the Spanish Stock Exchange (IBEX-35).
- This $43.1M asset (including acquisition costs) consists of 2 connected office buildings with approximately 120,000 sq.ft of lettable space, 250 parking spaces.
- The building is fully rented to 2 blue-chip tenants (from the aeronautics sector) with a WALT[1] of 4.2 years as at December 31, 2022.

1. Refer to the Appendix to this presentation for a description

2022 Highlights

ASSET RECYCLING PROGRAM

- **December 19, 2022 : sale of Courbevoie property** (La Defense area) at a gross sale price of $39.4M, $9.3M above the Q3 2022 fair market value of $30.1M .
  Transaction costs : $4.2M including eviction costs for $3.5M
  This transaction confirmed once again, the REIT's ability to profitably recycle older assets to renew the portfolio with more modern and accretive assets[1].

- The REIT is in advanced discussions with developers for the arbitrage / **repositioning of Sablière, Baldi and Arcueil**, at or about their most recent Fair Market Values, i.e respectively EUR20M ($29M), EUR19M ($27M) and EUR66M ($93M).
  The first two assets could be sold without condition of building permit and **free up to EUR23M ($33M) of cash.**
  The sale of Arcueil would most likely be subject to a building permit condition and would thus command a 12-month plus exchange contract period prior to closing.

1. Refer to the Appendix to this presentation for a description

2022 Highlights

RELETTING AND REFINANCING

- In August 2022, Management **signed a 5-year lease extension with Daimler** occupying 91% of the Stuttgart property, on same financial terms, bringing the WALT[1] on this asset to 6.2 years. Consequently, a **16% increase in appraised value** of the property has been confirmed, allowing for a refinancing of the current EUR24.5M bullet mortgage loan (maturing in May 2023) on improved conditions.

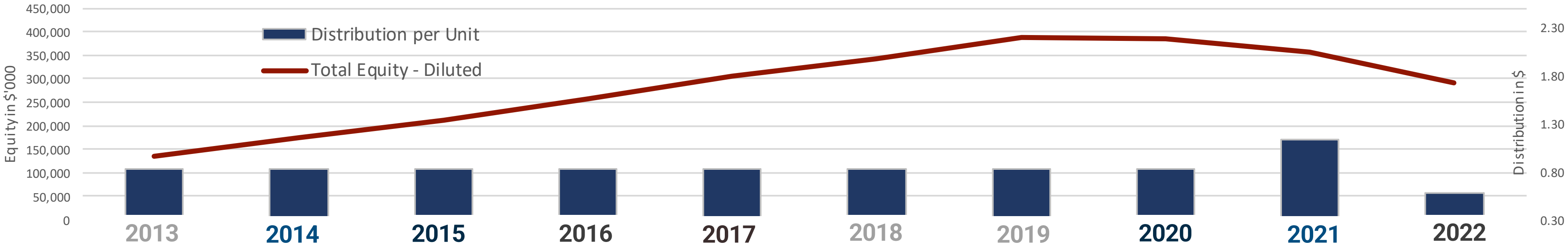
- Throughout 2022, **Management negotiated with Arrow**, the main tenant on the Neu-Isenburg property (80% of the total occupancy). **Negotiation successfully led to a 5-year extension** on 75% of the tenant areas, signed in Q1 2023.

- In May 2022, Management **completed the refinancing of the Duisburg bullet mortgage loan**, with a EUR33M ($48 million) five-year financing, generating EUR4.2M ($6.2M) for capital reimbursement on the joint venture loan.

1. Refer to the Appendix to this presentation for a description

A Value and Cash Driven Approach

TOTAL EQUITY & DISTRIBUTION



2013

Initial Public Offering (**IPO**) for $105M

Acquisition of **Vanves**, **Jeuneurs**, **Courbevoie** & **Hanover** properties

2014

Acquisition of **Duisburg** in JV

Capital Raise #2 for $37M

Acquisition of **Sablière** & **Baldi**

2015

Acquisition of **Bad Homburg** in JV

Acquisition of 25% interest in **Arcueil** property, held in JV

2016

Acquisition of **Metropolitain**

Capital Raise #3 : $46M

2017

Promissory Notes for $24.5M

Acquisition of **Stuttgart**, **Delizy, Neu Isenburg** & **Kösching** in JV

2018

Promissory Notes for $22M

2019

Sale of **Hannover**

Acquisition of **Trio**

Sale of **Vanves**

Capital Raise #4 : $51.5M
Bought deal and full acquisition of **Arcueil** (75%)

2020

Profit sharing on **Rueil** loan

Full acquisition of **Bad Homburg** (50%)

Start of the **Strategic Review** process and **conversion** of Promissory Notes to Units

2021

End of the Strategic review
Participatory distribution

Sale of **Jeuneurs**

2022

Cut in distribution

Sale of **Courbevoie**

2023 Outlook

OPPORTUNITIES

- Further to Inovalis REIT distribution cut in 2022, today's discounted Unit trading price provides an attractive return for Unitholders, backed by deep and resilient European real estate markets.

- Once its asset recycling program is completed, Inovalis REIT will be in a stronger position when emerging from this economic cycle.

- Financing in Europe remains less costly than in Canada. The weighted average interest rate of our portfolio is currently 2.4%, while Canada REIT industry's is 3.5% and a five-year commercial mortgage at the current market rate is anticipated to cost 5.5% in Canada (vs. 4.5% in Europe)[1].

- The current challenging market environment should provide opportunities that the in-place experienced local Management team knows how to take advantage of.

1.Source : Canaccord Genuity analysis / thedeepdive.ca

PARIS AREA

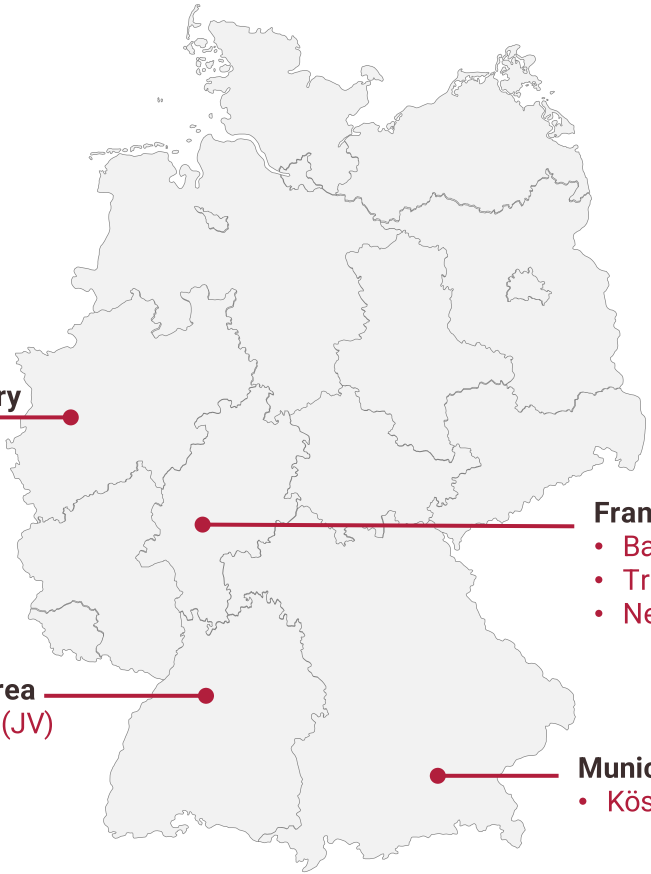
Portfolio

6 Assets

Assets owned entirely by the REIT except where joint venture (JV) is noted, and including Gaia acquired in March 2022

GERMANY

Portfolio

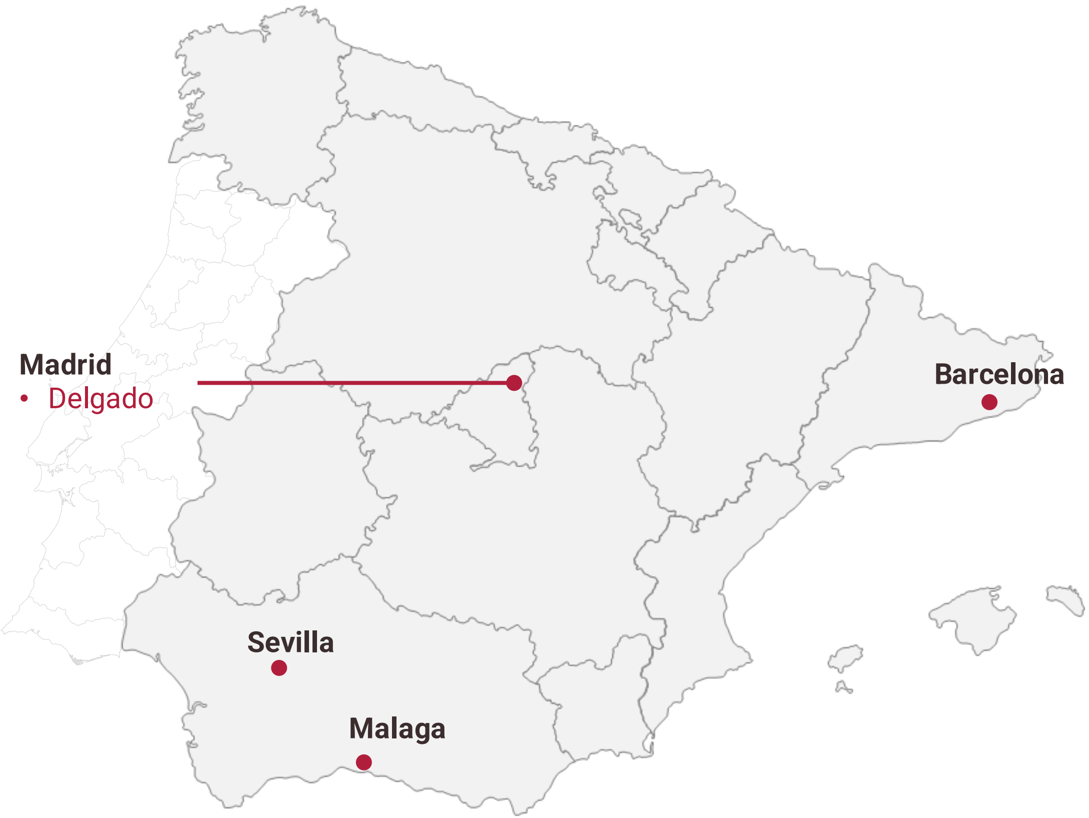


6 Assets

Assets owned entirely by the REIT except where joint venture (JV) is noted

SPAIN

Portfolio



1 Asset

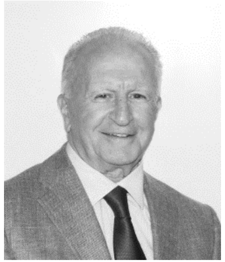
GOVERNANCE

A renewed and experienced Leadership Team

Trustees

Jean-Daniel Cohen
Chairman of the Board

Mike Bonneveld



Marc Manasterski

Laetitia Pacaud

Robert Waxman

Management

Stéphane Amine
President

David Giraud
Chief Executive Officer

Khalil Hankach
CFO and CIO

- A pared-back and renewed Board of Trustees brings institutional knowledge and fresh views to the boardroom
- Extensive real estate experience in the boardroom to complement management's strengths

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Appendices

Investing in Spain

A STRONG EUROPEAN OFFICE MARKET

Inovalis REIT's decision to invest in Spain is driven by its confidence in the strengths of the market, with a balanced risk/reward ratio, a positive outlook and potential for growth.
The country's economy is based on solid fundamentals, being **central to Europe and throughout the world** (with strong cultural and economic ties to South America). Under the EU's long-term budget, coupled with NextGenerationEU, Spain is expected to receive up to $192 billion to be invested until 2026.

Spain's real estate market is well-developed with significant depth:

- office stock of more than 140 million sq.ft. for Madrid and almost 75 million sq.ft. for Barcelona.
- International investors were involved in approximately 80% of all real estate transactions in the country in 2021
- the market is supported by national, European and international financial institutions.

Market liquidity continues to grow in both Madrid and Barcelona.
Madrid has the fifth highest start-up density across Europe and Barcelona is well-regarded for its digital and innovative talent.

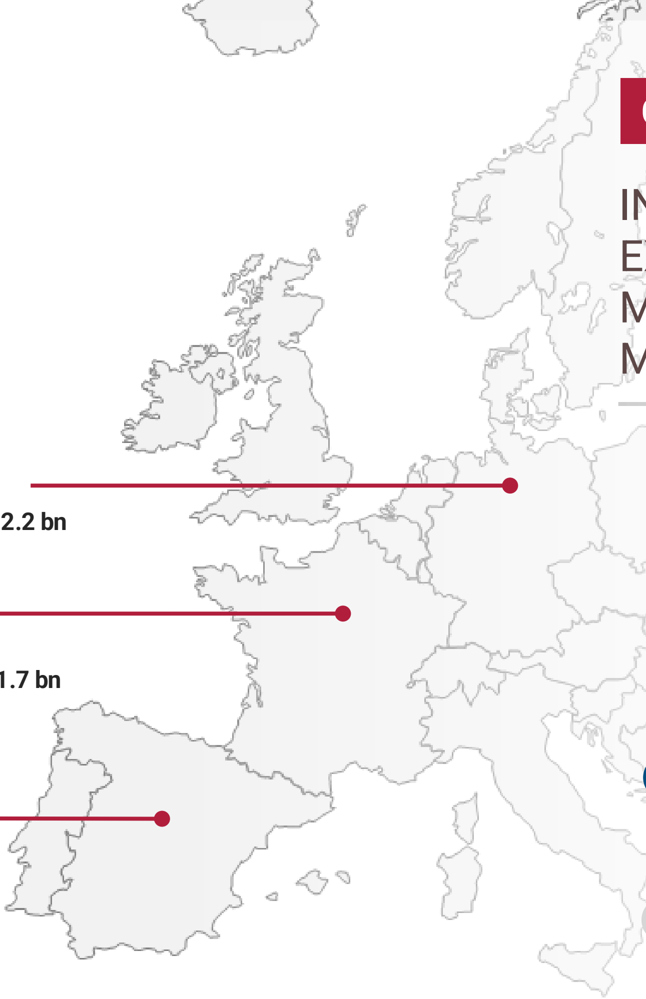
The Spanish market offers

- relatively high yields, low capital values and rents compared to other markets in major European cities
- attractive opportunities in established and mature locations difficult to source elsewhere in Europe when assessing comparable risk and yields.

In Inovalis' experience, short term value creation is also possible by converting properties into prime assets within their micro locations and with minimal capital by improving the ESG compliance of the properties, their visibility and identity.

Getaway to European markets

INVESTMENT DIVERSIFICATION VIA EXPOSURE TO SELECTED EUROPEAN MARKETS, WITH A STRONG LOCAL ASSET MANAGER



POP : 83,24 m
GDP : 3,570.62 bn€
Office Investment : $42.2 bn

POP : 67,39 m
GDP : 2,935.49 bn€
Office Investment : $21.7 bn

POP : 47,35 m
GDP : 1,202.90 bn€
Office Investment : $3.5 bn

- Provides compelling risk/return ratio for commercial real estate, given low rates on 10-year OAT government bonds and low European borrowing costs, compared to Canada.
- These competitive financing terms are fueled by ECB QE policies and the high **competition between local banks, including on a cross border level.**
- Provides geographical risk diversification while focusing on the bigger and more stable economies of the EuroZone.
- Benefits from gradual territorial expansion and hard-earned experience of the REIT Manager, as shown by Inovalis SA entry in Spain 3 since 2019 and Inovalis REIT's recent acquisition there.

Non-GAAP Financial Measures and Other Measures

“**Accretive opportunities**”, “**Accretive Assets**” means that, at the time of the asset acquisition, the pro forma (post-deal) net income per Unit is forecast as higher than the REIT’s (pre-deal) net income per Unit.

“**Adjusted Funds From Operations**” or “**AFFO**” is a meaningful supplemental measure that can be used to determine the REIT’s ability to service debt, fund expansion capital expenditures, fund property development, and provide distributions to Unitholders after considering costs associated with sustaining operating earnings. AFFO calculations are reconciled to net income, which is the most directly comparable IFRS measure. AFFO should not be construed as an alternative to net income or cash flow generated from operating activities, determined in accordance with IFRS.
AFFO is defined as FFO subject to certain adjustments, including adjustments for: (i) the non-cash effect of straight-line rents, (ii) the cash effect of the rental guarantee received, (iii) the cash effect of the lease equalization loans, (iv) amortization of fair value adjustment on assumed debt, (v) the non-cash portion of the asset management fees paid in Exchangeable Securities, (vi) capital expenditures, excluding those funded by a dedicated cash reserve or capex financing, and (vii) amortization of transaction costs on mortgage loans.

“**Adjusted Funds From Operations / Unit**” or “**AFFO / Unit**” is AFFO divided by the issued and outstanding Units, plus Exchangeable Securities (fully diluted basis).

“**Net asset value “NAV” per Unit**” or “**Book value per Unit**” refers to the REIT’s total equity divided by the Weighted Average number of Units and Exchangeable Securities (on a fully diluted basis).

“**Funds From Operations**” or “**FFO**” follows the definition prescribed by the Real Estate Property Association of Canada publication on Funds From Operations & Adjusted Funds From Operations, dated January 2022 with one exception.
Management considers FFO to be a meaningful supplemental measure that can be used to determine the REIT’s ability to service debt, fund capital expenditures, and provide distributions to Unitholders. As an exception, considering the significant amount of cash held in Euros in Canada and the volatility of the Canadian dollar against the Euro, the unrealized gain (loss) recognized for the three and twelve months ended December 31, 2022, and 2021, have been excluded from the FFO calculation. Finally, non-recurring administrative expenses relating to items that are not reasonably likely to occur within two years prior to, or following the disclosure, are adjusted have also been excluded from FFO. FFO is reconciled to net income, which is the most directly comparable IFRS measure. FFO should not be construed as an alternative to net income or cash flow generated from operating activities, determined in accordance with IFRS. FFO for the REIT is defined as net income in accordance with IFRS, subject to certain adjustments including adjustments for: (i) acquisition, eviction and disposal costs (if any), (ii) net change in fair value of investment properties, (iii) net change in fair value of derivative financial instruments at fair value through profit and loss, (iv) net changes in fair value of Exchangeable Securities, (v) finance costs related to distribution on Exchangeable Securities, (vi) adjustment for property taxes accounted for under IFRIC 21 (if any), (vii) loss on exercise of lease option (if any), (viii) adjustment for foreign exchange gains or losses on monetary items not forming part of an investment in a foreign operation (if any), (ix) gain or loss on disposal of investment properties or an interest in a subsidiary (if any), (x) finance income earned from loans to joint ventures (if any), (xi) loss on extinguishment of loans (if any), (xii) deferred taxes, (xiii) non-controlling interest, (xiv) goodwill / bargain purchase gains upon acquisition, and (xv) income taxes on sale of investment properties and provision for tax reassessment. Exchangeable Securities are recorded as liabilities. Exchangeable Securities are recorded at fair value through profit and loss in accordance with IFRS. However, both are considered as equity for the purposes of calculating FFO and AFFO, as they are economically equivalent to the REIT’s Units, with the same features and distribution rights, that are economically equivalent to the distribution received by Unitholders.

Non-GAAP Financial Measures and Other Measures

“**Adjusted Funds From Operations / Unit**” or “**AFFO / Unit**” is AFFO divided by the issued and outstanding Units, plus Exchangeable Securities (fully diluted basis).

“**Gross leasable area**” or GLA, is the area in a commercial property designed for the exclusive use of a tenant.

“**Gross book value**” refers to the total consolidated assets for the IP Portfolio and Total Portfolio.

“**Jointly owned assets**” or “**Joint ventures**” or “**JV**” refers to the REIT’s proportionate share of the financial position and results of operation of its investment in joint ventures, which are accounted for using the equity method under IFRS in the consolidated financial statements, are presented below using the proportionate consolidation method at the REIT’s ownership percentage of the related investment. Management views this method as relevant in demonstrating the REIT’s ability to manage the underlying economics of the related investments, including the financial performance and the extent to which the underlying assets are leveraged, which is an important component of risk management.
For the purpose of the proportionate consolidation, the initial investment of both partners in the joint ventures were considered as being equity investments as opposed to a combination of equity and loans and accordingly, the related proportionate consolidation balance sheet items were eliminated as well as the associated finance income and finance costs. As the loans to the joint ventures were considered equity for proportionate consolidation purposes, any impairment recorded on the loans in accordance with IFRS 9 has been reversed for MD&A purposes. As such, any impairment recorded for IFRS purposes results in a difference in equity when reconciling IFRS and proportionate consolidation reporting.

“**Market cap**” refers to the total value of a company's shares on a stock market.

“**NOI**” or “**Net Rental Income**” refers to the rental income plus operating cost recoveries income plus other property revenue, less property operating costs and other costs.

“**Participatory Distribution**” means a special distribution paid to Unitholders based on 50% of the cash attributable to the excess of the sale price of assets over IFRS fair market value, in addition to the regular monthly distribution to Unitholders.

“**Weighted average lease term**” or “**WALT**” is a metric used to measure a property portfolio’s risk of vacancy and refers to the average period in which all leases in a property or portfolio will expire. It is calculated as the sum of the percentages of rentable area multiplied by the number of years in each remaining lease term.

“**Weighted Average number of Units**” refers to the mean of periodic values in the number of issued and outstanding Units over a specific reporting period.

“**Weighted average interest rate**” is an average that is adjusted to reflect the contribution of each loan to the total debt.