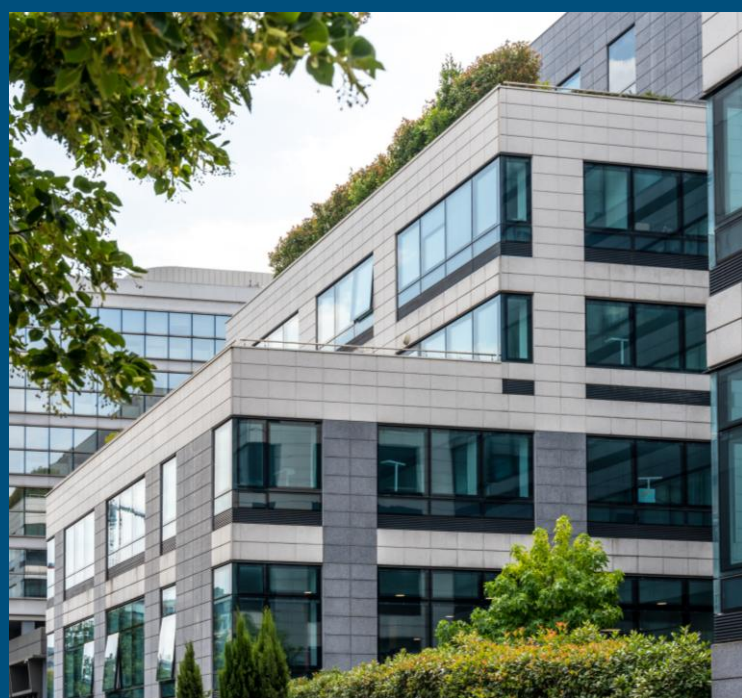
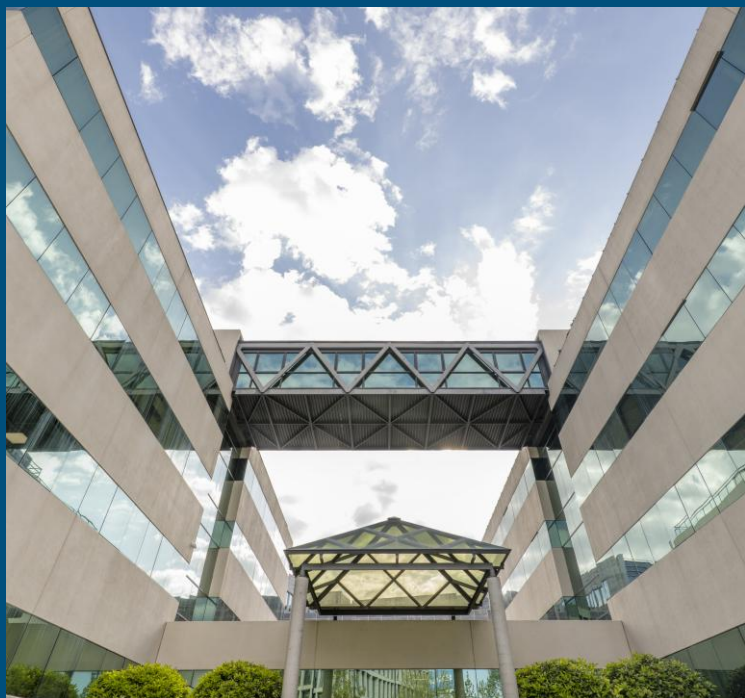




# Condensed Interim Consolidated Financial Statements (unaudited)

September 30, 2025



## **Disclosure of non-review of interim condensed consolidated financial statements for the quarters ended September 30, 2025 and 2024**

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if the external auditors have not performed a review of the financial statements, the financial statements must be accompanied by a notice indicating that they have not been reviewed by the external auditors.

The accompanying unaudited interim condensed consolidated financial statements of the REIT for the quarters ended September 30, 2025 and 2024 have been prepared in accordance with International Accounting Standard 34, Interim Financial reporting, and are the responsibility of the REIT's management.

The REIT's external auditors, Ernst & Young Audit, have not performed a review of these interim condensed consolidated financial statements in accordance with the standards established by Chartered Professional Accountants Canada for a review of the financial statements by the external auditors of an entity.

**Inovalis Real Estate Investment Trust**  
**Interim Consolidated Balance Sheets**  
**(Unaudited)**

(All dollar amounts in thousands of Canadian dollars)

Assets	Note	As at September 30, 2025	As at December 31, 2024
<b>Non-current assets</b>			
Investment properties	5	293 920	327 789
Investments in joint ventures	6	38 801	37 047
Other financial assets		466	407
Restricted cash	8	735	1 611
<b>Total non-current assets</b>		<b>333 922</b>	<b>366 854</b>
<b>Current assets</b>			
Trade receivables and other financial assets	7	11 728	9 528
Other current assets		2 073	1 873
Restricted cash	8	2 011	1 651
Cash	8	11 916	6 249
<b>Total current assets</b>		<b>27 728</b>	<b>19 301</b>
<b>Asset held for sale</b>	9	59 615	26 061
<b>Total assets</b>		<b>421 265</b>	<b>412 216</b>
Liabilities and equity	Note	As at September 30, 2025	As at December 31, 2024
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing loan		207	189
Mortgage loans	10	68 027	53 961
Lease liabilities	10	95 143	95 752
Tenant deposits		2 357	2 228
<b>Total non-current liabilities</b>		<b>165 734</b>	<b>152 130</b>
<b>Current liabilities</b>			
Interest-bearing loan		203	83
Mortgage loans	10	42 757	60 488
Lease liabilities	10	10 911	5 035
Tenant deposits		90	255
Exchangeable securities	11	314	385
Trade and other payables	12	7 637	8 668
Income tax payable		2 460	2 238
Deferred income		450	586
Provisions	13	269	243
<b>Total current liabilities</b>		<b>65 091</b>	<b>77 981</b>
<b>Total liabilities</b>		<b>230 825</b>	<b>230 111</b>
<b>Equity</b>			
Trust units	17	296 253	296 206
Deficit		(138 974)	(129 834)
Accumulated other comprehensive income	18	33 286	15 666
<b>Total unitholders' equity</b>		<b>190 565</b>	<b>182 038</b>
Non-controlling interest		(125)	67
<b>Total equity</b>		<b>190 440</b>	<b>182 105</b>
<b>Total liabilities and equity</b>		<b>421 265</b>	<b>412 216</b>

*The accompanying notes are an integral part of these interim condensed consolidated financial statements.*

On behalf of the Board of Trustees of Inovalis Real Estate Investment Trust:

Jean-Daniel Cohen  
Chairman and Trustee

Robert Waxman  
Audit Chair and Trustee

**Inovalis Real Estate Investment Trust**  
**Interim Consolidated Statements of Earnings**  
**(Unaudited)**

(All dollar amounts in thousands of Canadian dollars, except for per unit amounts)

	Note	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Rental revenue	14	4 380	4 688	13 037	13 381
Property operating cost recoveries	14	1 292	773	3 803	3 600
Property operating costs	15	(1 208)	(1 741)	(8 252)	(8 898)
Other revenues		31	9	62	1 180
Other property operating expenses		(794)	(211)	(1 513)	(220)
<b>Net rental income</b>		<b>3 701</b>	<b>3 518</b>	<b>7 137</b>	<b>9 043</b>
General and administrative expenses	15	(1 082)	(1 437)	(3 803)	(4 602)
Foreign exchange profit (loss)		22	(2)	68	(2)
Loss on disposal of investment properties	7	-	-	(167)	-
Share of net loss from joint ventures	6	(358)	(655)	(1 887)	(3 830)
<b>Operating earnings income</b>		<b>2 283</b>	<b>1 424</b>	<b>1 348</b>	<b>609</b>
Net change in fair value of Investment properties	5	(572)	(8 555)	(6 360)	(39 860)
Net change in fair value of Financial derivatives		-	(276)	-	(691)
Net change in fair value of Exchangeable securities	11	39	(226)	71	554
Finance income	16	776	718	2 285	2 564
Finance costs	16	(2 271)	(2 465)	(6 530)	(7 507)
<b>Income (loss) before income taxes</b>		<b>255</b>	<b>(9 380)</b>	<b>(9 186)</b>	<b>(44 331)</b>
Current income tax expense		(65)	(50)	(166)	(133)
Deferred income tax recovery		-	6	-	829
Total income tax (expenses) recoveries		(65)	(44)	(166)	696
<b>Net income (loss)</b>		<b>190</b>	<b>(9 424)</b>	<b>(9 352)</b>	<b>(43 635)</b>
<b>Net income (loss) attributable to:</b>					
Non-controlling interest		1	(7)	(212)	(499)
Unitholders of the Trust		189	(9 417)	(9 140)	(43 136)
		<b>190</b>	<b>(9 424)</b>	<b>(9 352)</b>	<b>(43 635)</b>

*The accompanying notes are an integral part of these interim condensed consolidated financial statements.*

**Inovalis Real Estate Investment Trust**  
**Interim Consolidated Statements of Comprehensive Income**  
**(Unaudited)**

(All dollar amounts in thousands of Canadian dollars)

	<i>Note</i>	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
<b>Net income (loss) for the period</b>		<b>190</b>	<b>(9 424)</b>	<b>(9 352)</b>	<b>(43 635)</b>
<b>Other comprehensive income</b>					
Items that may be reclassified subsequently to income :					
Change in cumulative translation adjustment account	18	3 743	6 165	17 600	6 642
<b>Other comprehensive income</b>		<b>3 743</b>	<b>6 165</b>	<b>17 600</b>	<b>6 642</b>
<b>Total comprehensive income (loss)</b>		<b>3 933</b>	<b>(3 259)</b>	<b>8 248</b>	<b>(36 993)</b>
<b>Total comprehensive income (loss) attributable to:</b>					
Non-controlling interest		2	9	(232)	(490)
Unitholders of the Trust		3 931	(3 268)	8 480	(36 503)
<b>Total comprehensive income (loss)</b>		<b>3 933</b>	<b>(3 259)</b>	<b>8 248</b>	<b>(36 993)</b>

*The accompanying notes are an integral part of these interim condensed consolidated financial statements.*

**Inovalis Real Estate Investment Trust**  
**Interim Consolidated Statements of Changes in Equity**  
**For the nine months ended September 30,**  
**(Unaudited)**

(All dollar amounts in thousands of Canadian dollars, unless otherwise stated)

	Note	Number of Units issued and outstanding	Trust Units	Retained earnings (deficit)	Accumulated other comprehensive income	Total attributable to the Unitholders' of the Trust	Non-controlling interest	Total equity
As at December 31, 2023		32 594 711	288 156	(53 230)	11 492	246 418	947	247 365
Issuance of units from conversion of exchangeable securities	11	545 144	503	-	-	503	-	503
Issuance of units from payment of trustee fees	19	66 325	76	-	-	76	-	76
Distributions declared to Unitholders		7 321 963	7 471	(7 471)	-	-	-	-
Consolidation of Units		(7 321 963)	-	-	-	-	-	-
Foreign exchange impact on Non-controlling interest		-	-	-	-	-	16	16
		<u>611 469</u>	<u>8 050</u>	<u>(7 471)</u>	<u>-</u>	<u>579</u>	<u>16</u>	<u>595</u>
Net loss for the year		-	-	(69 133)	-	(69 133)	(898)	(70 031)
Other comprehensive income		-	-	-	4 174	4 174	2	4 176
Comprehensive (loss) income		-	-	(69 133)	4 174	(64 959)	(896)	(65 855)
<b>As at December 31, 2024</b>		<b><u>33 206 180</u></b>	<b><u>296 206</u></b>	<b><u>(129 834)</u></b>	<b><u>15 666</u></b>	<b><u>182 038</u></b>	<b><u>67</u></b>	<b><u>182 105</u></b>
Issuance of units for payment of Trustee Fees	19	57 689	47	-	-	47	-	47
Foreign exchange impact on Non-controlling interest		-	-	-	-	-	40	40
		<u>57 689</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>47</u>	<u>40</u>	<u>87</u>
Net loss for the period		-	-	(9 140)	-	(9 140)	(212)	(9 352)
Other comprehensive income (loss)		-	-	-	17 620	17 620	(20)	17 600
Comprehensive (loss) income		-	-	(9 140)	17 620	8 480	(232)	8 248
<b>As at September 30, 2025</b>		<b><u>33 263 869</u></b>	<b><u>296 253</u></b>	<b><u>(138 974)</u></b>	<b><u>33 286</u></b>	<b><u>190 565</u></b>	<b><u>(125)</u></b>	<b><u>190 440</u></b>

*The accompanying notes are an integral part of these interim condensed consolidated financial statements.*

**Inovalis Real Estate Investment Trust**  
**Interim Consolidated Statements of Cash Flows**  
**(Unaudited)**

(All dollar amounts in thousands of Canadian dollars)

	<i>Note</i>	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
<b>Operating activities</b>			
Loss before income taxes		(9 186)	(44 331)
Interest received		703	627
Interest paid		(6 530)	(7 507)
Income tax paid		(5)	-
Distributions in respect of exchangeable securities paid in cash	11	-	(194)
Adjustments for non-cash items and other reconciling items	22	12 544	48 957
		<u>(2 474)</u>	<u>(2 448)</u>
Working capital adjustments	22	145	2 874
<b>Net cash flows related to operating activities</b>		<u>(2 329)</u>	<u>426</u>
<b>Investing activities</b>			
Additions to investment properties and capitalized letting fees	5	(856)	(491)
Disposition of investment property - Sablière property	9	27 478	-
Additional loan advances to joint ventures	6	-	(1 177)
Loan repayments received from joint ventures	6	-	621
Net change in restricted cash	8	(799)	1 772
<b>Net cash flows related to investing activities</b>		<u>25 823</u>	<u>725</u>
<b>Financing activities</b>			
Repurchase of Trust units	17	-	43
Issuance of mortgage loans	22	9 132	-
Repayment of mortgage loans	22	(23 853)	(3 585)
Repayment of lease liabilities	22	(4 288)	(3 014)
Issuance of interest bearing loan		138	52
<b>Net cash flows related to financing activities</b>		<u>(18 871)</u>	<u>(6 504)</u>
<b>Increase (decrease) in cash</b>		<b>4 623</b>	<b>(5 353)</b>
Effects of foreign exchange adjustments on cash		1 044	27
<b>Cash at the beginning of the period</b>	8	<b>6 249</b>	<b>12 489</b>
<b>Cash at the end of the period</b>	8	<b>11 916</b>	<b>7 163</b>

*The accompanying notes are an integral part of these interim condensed consolidated financial statements.*

**Inovalis Real Estate Investment Trust**  
**Notes to the condensed interim consolidated financial statements**  
**September 30, 2025**

**Note 1 – Organization**

The Inovalis Real Estate Investment Trust (the “Trust”) is an open-ended real estate investment trust created pursuant to a Declaration of Trust dated February 8, 2013, under the laws of the Province of Ontario, Canada. These condensed interim consolidated financial statements include the accounts of the Trust and its subsidiaries (together the “REIT”). The REIT’s investment property portfolio, owned directly or through joint arrangements, is comprised of office rental properties located in France, Germany, and Spain.

The REIT’s head and registered office is located at 151 Yonge Street, 11th floor, Toronto, Ontario, M5C 2W7. The REIT’s units are listed on the Toronto Stock Exchange (“TSX”) under the symbol INO.UN.TO.

The REIT’s condensed interim consolidated financial statements as at and for the three and nine months ended September 30, 2025, were authorized for issuance by the Board of Trustees on November 12, 2025.

The REIT has hired Inovalis S.A. (“Inovalis SA”), a real estate asset manager having operations in France, Germany, and Spain to manage certain functions. Refer to Note 1 of the 2024 annual consolidated financial statements for more information about the relationship between Inovalis SA and the REIT, and to Note 20 in these condensed interim consolidated financial statements, for information regarding the services provided by Inovalis SA to the REIT.

Inovalis SA is considered as a related party of the REIT as they share the same management. The founder and Chairman of Inovalis SA is the President and the Chief Executive Officer (“CEO”) of the REIT, and the Deputy Chief Executive Officer of Inovalis SA is Chief Investment Officer (“CIO”) and Chief Financial Officer (“CFO”) of the REIT.

**Note 2 – Basis of presentation and statement of compliance**

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”), and thus do not contain all the disclosures applicable to the annual consolidated financial statements.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. Management considers that there are no material uncertainties that may cast significant doubt over this assumption. In concluding that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period, management has made several significant judgements. See Note 4, section on going concern analysis for further details.

These unaudited condensed interim consolidated financial statements use the same accounting policies and methods of their application as the REIT’s most recent annual consolidated financial statements and should be read in conjunction with the 2024 annual audited consolidated financial statements, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the IASB.

### **Note 3 – Recent accounting pronouncement adopted**

The REIT has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

#### **Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates - Lack of exchangeability:**

In June 2024, the IASB issued amendments to IAS 21 which specify that entities should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments are effective beginning on or after January 1, 2025.

These amendments had no impact on the condensed interim consolidated financial statements of the REIT, as no significant changes in exchangeability occurred after the date of initial application of IAS 21 by the REIT.

### **Note 4 – Critical accounting judgments and estimates**

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the REIT's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2024.

#### **Going Concern Analysis**

The REIT has prepared the financial statements on the assumption that it will continue to operate as a going concern. This implies that the REIT will continue its operations for the foreseeable future, enabling it to realize its assets and settle its obligations in the normal course of business. Management's assessment of the going concern status includes forecasting cash flow requirements under various stress-tested scenarios to identify any material risks to the REIT's ability to continue as a going concern. The significant judgments made in forecasting future cash flows relate to certain financing obligations for the REIT.

The REIT's ability to operate as a going concern over the twelve months following the release of the financial statements depends on its ability to successfully close the disposition of its Baldi and Trio properties and negotiate extensions and modifications to its third-party loans to meet cash flow needs and prevent the exercise of early repayment rights by lenders in the event of covenant breaches.

On the Baldi property in France, which has a 18% loan to-value, an unilateral exchange contract was signed on August 1, 2025. The REIT anticipates a disposition before the end of the year 2025.

#### **(a) Breach of Trio Property Loan Covenant**

As of September 30, 2025, the Trio property is in breach of the loan-to-value ratio on its \$37,882 mortgage loans. On March 19, 2025, the senior lender HCOB confirmed a six-month extension of the maturity (initially set on March 15, 2025) and the loan was partially repaid of €5,500 (\$8,823) in May 2025, condition for the waiver of the second mortgage held by HCOB on the Bad Homburg property. The loan repayment was funded by a €5,600 (\$8,983) mezzanine loan on the Bad Homburg property signed in April 2025 with a drawdown on May 13, 2025. The 18-month mezzanine loan bears interest at 12% (6% paid quarterly and 6% at maturity). Management's objective is to refinance this loan with conventional financing, depending on progress on the reletting strategy. On May 19, 2025, the HCOB bank formally notified the REIT for the LTV covenant breach and reservation of rights. However, given that all of the other terms of the Trio loan have been met and based on the REIT's regular communications with the lender, the REIT does not anticipate receiving an early repayment request from the lender.

However, should repayment be requested after September 15, 2025, the liquidity risk associated with this default is confined at the Trio entity level and triggers default interest payments during the default period. If recourse is made to the guarantees provided by the REIT, the risk would entail the loss of Trio's contribution to the REIT's equity, without compromising its liquidity. Subsequent to the quarter end, to allow the completion of the ongoing sale process, the bank granted a short-term extension to the financing until February 16, 2026.

## Note 4 – Critical accounting judgments and estimates (cont'd)

### Going Concern Analysis (cont'd)

#### (b) Breach of Baldi Loan Covenant

As of September 30, 2025, the SCI Baldi entity is in breach of two covenants on its \$3,969 mortgage loan due to planned tenant vacancies resulting from the property being held within the REIT's asset recycling plan (See Note 10). On August 1, 2025, the REIT signed an exchange contract for the sale of this property with a third-party buyer. The sale proceeds would allow the full repayment of the outstanding loan amount. Although this breach provides the lender with the early repayment right, management does not anticipate the bank to exercise it. If repayment is requested by the lender before the sale, it could result in a cash shortfall for the REIT, necessitating additional cash flow strategies to mitigate liquidity risk.

Management has forecasted that the REIT will be able to navigate any remaining cash flow shortages through effective management of working capital and capex requirements. Specifically, management has forecasted that the REIT will be able to defer certain tax payment deadlines and capex schedules as required and manage payment terms for vendor invoices. Management has also considered the REIT's history of employing capital management strategies successfully in making this judgement.

## Note 5 – Investment properties

Reconciliations of the carrying amounts of investment properties at the beginning and end of the current financial period are as follows:

	For the nine months ended September 30, 2025	For the year ended December 31, 2024
<b>Balance, beginning of the period</b>	<b>327 789</b>	<b>412 967</b>
Capex	739	768
Change in capitalized letting fees	117	(39)
Rent free periods	(191)	(318)
Net change in fair value of investment properties	(6 360)	(66 774)
Foreign currency translation adjustment	31 441	7 246
Asset classified as held for sale	(59 615)	(26 061)
<b>Balance, end of the period</b>	<b>293 920</b>	<b>327 789</b>

All of the REIT's investment properties with a fair value of \$293,920 (December 31, 2024 - \$327,789) are pledged as security for an amount of \$216,838 (December 31, 2024 - \$215,236) in mortgage loans and lease liabilities.

On April 30, 2025, the REIT closed the disposition of the Sabliere investment property, located in Paris, France, for a total consideration of €18,200 (\$28,625). The REIT paid transaction costs equal to the amount of €812 (\$1,269), which include €182 (\$285) in advisory fees paid to Inovalis SA, a related party of the REIT and €228 (\$356) in broker fees paid to Advenis Conseil, a subsidiary of Inovalis SA. The REIT recognized a loss on sale of investment property of €167 (\$261) relating to the sale. The loss is solely related to transaction costs paid by the REIT.

### Appraisal capitalization and discount rates

The fair value of investment properties is determined by real estate valuation experts using recognized valuation techniques and the principles of IFRS 13. The REIT used the Direct Capitalization Method ("DC") to measure the fair value of its investment property.

Under the Direct Capitalization Method, the cash generated during the term of the lease as well as the cash generated at reversion, as estimated based on the normalized net operating income generated by the property, are capitalized using the same capitalization (discount) rate. The capitalization rates are determined based on recent real estate transactions with similar characteristics and location to those of the REIT assets. The group that determines the REIT's valuation policies and procedures for property valuations comprises the CEO, CIO and CFO. Each year, Inovalis SA appoints an independent real estate valuation expert who is responsible for the valuation of the REIT's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

## Note 5 – Investment properties (cont'd)

In addition, the CEO and the CIO are responsible for the internal valuation department in charge of the evaluation of REIT's properties. Inovalis SA's internal valuation department comprises a certain number of employees that hold relevant internationally recognized professional qualifications and are experienced in valuing the types of property in applicable locations. External valuations are obtained every six months for the French properties, German properties, and Spanish property. The REIT's investment properties were last appraised by external evaluators as of June 30, 2025. The adjusted market-value and stabilized capitalization rates by country are set out in the following table:

	As at September 30, 2025			
	France <sup>2</sup>	Germany <sup>2</sup>	Spain	Total
Fair value of investment properties for financial reporting purposes				
Market value (in KEUR) as estimated by external appraisers	157 555	34 802	26 700	219 057
Option costs	(2 589)	-	-	(2 589)
<b>Adjusted market value in EUR</b>	<b>154 966</b>	<b>34 802</b>	<b>26 700</b>	<b>216 468</b>
Exchange adjustment	98 124	22 037	16 906	137 067
<b>Adjusted market value in CAD\$</b>	<b>253 090</b>	<b>56 839</b>	<b>43 606</b>	<b>353 535</b>
Principal method used to value property <sup>1</sup>	DC	DC	DC	
Capitalization rate / discount rate	5.10% to 8.00%	6.10% to 7.60%	6,75%	
Terminal capitalization rate	6,52%	7,49%	6,75%	
<b>Impact on the fair value of investment properties of :</b>				
an increase of 25 bps on the cap rate and/or discount rate	(9 694)	(1 836)	(1 591)	(13 121)
a decrease of 25 bps on the cap rate and/or discount rate	10 533	1 962	1 717	14 212

(1) "DC" for Direct Capitalization Method  
(2) Including the fair market value for the Baldi property of €14,000 (\$22,865) and Trio property of €22,500 (\$36,750) that are presented as an asset held for sale.

	As at December 31, 2024			
	France	Germany	Spain	Total
Fair value of investment properties for financial reporting purposes				
Market value (in KEUR) as estimated by external appraisers	175 900	37 700	26 600	240 200
Option costs	(2 589)	-	-	(2 589)
<b>Adjusted market value in EUR</b>	<b>173 311</b>	<b>37 700</b>	<b>26 600</b>	<b>237 611</b>
Exchange adjustment	84 784	18 443	13 013	116 240
<b>Adjusted market value in CAD\$</b>	<b>258 095</b>	<b>56 143</b>	<b>39 613</b>	<b>353 851</b>
Principal method used to value property <sup>1</sup>	DC	DC	DC	
Capitalization rate / discount rate	5.00% to 8.00%	6.10% to 7.30%	6,75%	
Terminal capitalization rate	6,42%	7,10%	6,75%	
<b>Impact on the fair value of investment properties of :</b>				
an increase of 25 bps on the cap rate and/or discount rate	(10 436)	(1 911)	(1 415)	(13 761)
a decrease of 25 bps on the cap rate and/or discount rate	11 355	2 050	1 524	14 929

(1) "DC" for Direct Capitalization Method  
(2) Including the fair market value for the Sablière property of €17,500 (\$26,061) that is presented as an asset held for sale.

### Right-of-use assets

The REIT leases various investment properties with a carrying amount of \$172,355 (December 31, 2024 – \$163,083) under leases which begin to expire in approximately 2 years (December 31, 2024: 3 years).

## Note 6 – Investments in joint ventures

Outlined below is a breakdown of the carrying amounts of the components of the investments in joint ventures:

	Duisburg	Stuttgart	Delizy	Isenburg	Kosching	Total
<b>Balance - December 31, 2023</b>	<b>14 514</b>	<b>11 706</b>	<b>-</b>	<b>7 684</b>	<b>7 728</b>	<b>41 632</b>
Additional investment for the year	-	149	561	477	-	1 187
Share of net (loss) income from investments <sup>1</sup>	(2 167)	148	2 135	(2 930)	(367)	(3 181)
Impairment of loans to joint ventures <sup>2</sup>	-	-	(2 729)	-	-	(2 729)
Loan repayments received from joint ventures	-	-	-	-	(626)	(626)
Exchange differences	255	214	33	123	139	764
<b>Balance - December 31, 2024</b>	<b>12 602</b>	<b>12 217</b>	<b>-</b>	<b>5 354</b>	<b>6 874</b>	<b>37 047</b>
Additional investment for the period	-	(524)	-	524	-	-
Share of net income (loss) from investments <sup>1</sup>	(337)	130	(2 309)	565	64	(1 887)
Exchange differences	1 203	1 164	40	566	668	3 641
<b>Balance - September 30, 2025</b>	<b>13 468</b>	<b>12 987</b>	<b>(2 269)</b>	<b>7 009</b>	<b>7 606</b>	<b>38 801</b>

(1) The share of net income (loss) from investments includes the interest expense in relation to the loans granted to the joint ventures. The interest earned by the REIT in relation to these loans for the nine-months ended September 30, 2025 amounts to \$2,255 (2024 - \$2,110) and are included in "Finance income" (see note 16).

(2) The REIT recorded an impairment charge to reduce the loan advanced to Delizy to its recoverable amount.

The balance of investments in joint ventures as at September 30, 2025 includes loans to joint ventures for an amount of \$24,936 which is detailed as follows:

Loans to joint ventures	Duisburg	Stuttgart	Delizy <sup>1</sup>	Isenburg	Kosching	Total
Gross Balance - September 30, 2025	12 173	10 141	12 946	1 263	(774)	35 749
Less: Cumulative ECL	-	-	(10 813)	-	-	(10 813)
<b>Net Balance - September 30, 2025</b>	<b>12 173</b>	<b>10 141</b>	<b>2 133</b>	<b>1 263</b>	<b>(774)</b>	<b>24 936</b>
Gross Balance - December 31, 2024	11 100	9 746	11 805	652	(705)	32 598
Less: Cumulative ECL	-	-	(9 430)	-	-	(9 430)
<b>Net Balance - December 31, 2024</b>	<b>11 100</b>	<b>9 746</b>	<b>2 375</b>	<b>652</b>	<b>(705)</b>	<b>23 168</b>

(1) Net balance for the REIT's loan to Delizy as at December 31, 2024 has been entirely offset by losses from the REIT's investment in joint venture upon inclusion of the loan as part of the REIT's overall investment in the Delizy JV under IAS 28.

## Note 7 – Trade receivables and other financial assets

	Note	As at September 30, 2025	As at December 31, 2024
Trade receivables		4 220	3 560
Provision for impairment of trade receivables		(2 124)	(868)
<b>Trade receivables</b>		<b>2 096</b>	<b>2 692</b>
Other receivables		1 864	676
Other receivables - Inovalis SA	20	547	521
Interest receivable - Joint ventures - current	20	7 221	5 639
<b>Other current financial assets</b>		<b>9 632</b>	<b>6 836</b>
<b>Total trade receivables and other financial assets</b>		<b>11 728</b>	<b>9 528</b>

The increase of the provision for impairment of receivables mainly concerned 3 tenants at the Gaia property (\$1,630), for which eviction and rent arrears collection procedures are ongoing.

## Note 8 – Cash, cash equivalents and restricted cash

### Cash and cash equivalents

	As at September 30, 2025	As at December 31, 2024
Cash on hand	11 916	6 249
<b>Cash and cash equivalents</b>	<b>11 916</b>	<b>6 249</b>

### Restricted cash

		As at September 30, 2025	As at December 31, 2024
Capex reserve	Trio property	-	1 167
Mortgage loan reserve	Walpur property	245	-
Bank loan reserve	Delgado property	408	372
Others		82	72
<b>Non current</b>		<b>735</b>	<b>1 611</b>
Capex reserve	Trio property	1 684	370
Bank loan reserve	Gaia property	327	-
Bank loan reserve	Sablère property	-	1 281
<b>Current</b>		<b>2 011</b>	<b>1 651</b>
<b>Restricted cash</b>		<b>2 746</b>	<b>3 262</b>

## Note 9 – Asset held for sale

		As at September 30, 2025	As at December 31, 2024
Investment property	Sablère property	-	26 061
Investment property	Baldi property	22 865	-
Investment property	Trio property	36 750	-
<b>Total assets held for sale</b>		<b>59 615</b>	<b>26 061</b>

### Baldi property

In March 2025, the REIT received an offer from a third-party purchaser (the “Purchaser”) relating to the Baldi property, which it then accepted on April 10, 2025. The Baldi property has a gross leasable area of 11,488 sqm (123,657 sq. ft.) and is located in Saint Ouen, in the Northern first ring of Paris.

On August 1, 2025, the REIT signed an exchange contract at a sale price of €14,000 (\$22,865), subject to financing conditions, and a scheduled disposition before the end of the year 2025 (See Note 23). The financing condition was formally released subsequent to the quarter, on October 17, 2025.

Given all the criteria related to classification as an asset held for sale were met as of September 30, 2025, the Baldi property is presented on a separate line in the consolidated balance sheet as “Asset held for sale” as of September 30, 2025.

### Trio property

In July 2025, the REIT received an offer from a third-party purchaser relating to the Trio property, which it then accepted. On October 10, 2025, the REIT signed a preliminary exchange contract, notably subject to financing conditions, with a closing anticipated for Q1 2026. Given all the criteria related to classification as an asset held for sale were met as of September 30, 2025, the Trio property is presented on a separate line in the consolidated balance sheet as “Asset held for sale” as of September 30, 2025, for an amount of \$36,750 as last appraised by a valuation expert in Q2 2025.

## Note 10 – Mortgage loans and lease liabilities

Mortgage loans and lease liabilities consist of the following:

As at September 30, 2025					
Entity	Interest rate	Maturity	Total	Non-current	Current
Mortgage loan - Cancorp Trio <sup>(1)</sup>	Euribor 3M + 2.50%	15/09/2025	37 882	-	37 882
Mortgage loan - Baldi SCI	Euribor 3M + 1.75%	26/10/2027	4 080	-	4 080
Mortgage loan - Walpur Four	12%	12/11/2026	9 361	9 361	-
Mortgage loan - Gaia Nanterre SCI	1.91%	27/03/2027	35 506	35 506	-
Mortgage loan - Cancorp Vegacinco	1.99%	31/03/2027	23 955	23 160	795
<b>Mortgage loans</b>			<b>110 784</b>	<b>68 027</b>	<b>42 757</b>
Lease liabilities - Arcueil SCI	Euribor 3M + 2.20%	08/07/2027	50 600	42 424	8 176
Lease liabilities - Metropolitan SCI	Euribor 3M + 1.84%	18/03/2031	55 454	52 719	2 735
<b>Lease liabilities</b>			<b>106 054</b>	<b>95 143</b>	<b>10 911</b>
<b>Total mortgage loans and lease liabilities</b>			<b>216 838</b>	<b>163 170</b>	<b>53 668</b>

(1) Subsequent to the quarter end, an extension on same terms has been granted until February 16, 2026.

As at December 31, 2024					
Entity	Interest rate	Maturity	Total	Non-current	Current
Mortgage loan - Sabliere SCI	Euribor 3M + 1.59%	23/06/2026	12 721	-	12 721
Mortgage loan - Cancorp Trio	Euribor 3M + 2.50%	15/03/2025	42 584	-	42 584
Mortgage loan - Baldi SCI	Euribor 3M + 1.75%	26/10/2027	4 458	-	4 458
Mortgage loan - Gaia Nanterre SCI	1.91%	27/03/2027	32 191	32 191	-
Mortgage loan - Cancorp Vegacinco	1.99%	31/03/2027	22 495	21 770	725
<b>Mortgage loans</b>			<b>114 449</b>	<b>53 961</b>	<b>60 488</b>
Lease liabilities - Arcueil SCI	Euribor 3M + 2.20%	08/07/2027	47 159	45 832	1 327
Lease liabilities - Metropolitan SCI	Euribor 3M + 1.84%	18/03/2031	53 628	49 920	3 708
<b>Lease liabilities</b>			<b>100 787</b>	<b>95 752</b>	<b>5 035</b>
<b>Total mortgage loans and lease liabilities</b>			<b>215 236</b>	<b>149 713</b>	<b>65 523</b>

The aggregate principal repayments and balances maturing on the mortgage loans during the period indicated, are as follows:

	As at September 30, 2025		As at December 31, 2024	
	Carrying value	Minimum payments	Carrying value	Minimum payments
Within 1 year	42 757	43 590	60 488	50 817
After 1 year, but not more than 5 years	68 027	68 913	53 961	66 683
More than 5 years	-	-	-	-
	<b>110 784</b>	<b>112 503</b>	<b>114 449</b>	<b>117 500</b>
Less : future interest costs	-	(1 719)	-	(3 051)
<b>Total mortgage loans</b>	<b>110 784</b>	<b>110 784</b>	<b>114 449</b>	<b>114 449</b>

The aggregate principal repayments and balances maturing on the lease liabilities during the period indicated, are as follows:

	As at September 30, 2025		As at December 31, 2024	
	Carrying value	Minimum lease payments	Carrying value	Minimum lease payments
Within 1 year	10 911	14 867	5 035	8 794
After 1 year, but not more than 5 years	53 796	64 826	56 036	67 235
More than 5 years	41 347	42 120	39 716	41 993
	<b>106 054</b>	<b>121 813</b>	<b>100 787</b>	<b>118 022</b>
Less : future interest costs	-	(15 759)	-	(17 235)
<b>Total lease liabilities</b>	<b>106 054</b>	<b>106 054</b>	<b>100 787</b>	<b>100 787</b>

## **Note 10 – Mortgage loans and lease liabilities (cont'd)**

### **Trio Property - Loan Extension**

In March 2025, the REIT formally requested to extend the Final Repayment Date to September 15, 2025. On March 19, 2025, the senior lender, HCOB, confirmed the six-month extension of financing and agreed to a €5,500 loan repayment, that occurred on May 13, 2025, along with the waiver of the second mortgage on the Bad Homburg property. This repayment was funded by a €5,600 mezzanine loan on the Bad Homburg property (see below).

Subsequent to the quarter end, to allow the completion of the ongoing sale process, the bank granted a short-term extension to the financing until February 16, 2026.

### **Baldi SCI - Loan Covenants**

The mortgage loan within the SCI Baldi entity is subject to two loan covenants, requiring the debt service coverage ratio (“DSCR”) to be over 115% and the loan to value (“LTV”) ratio to be less than 70%. These covenants are tested annually for compliance on June 30<sup>th</sup>, at which date if either of the covenants are not met, the mortgage loan becomes payable on demand. As at the most recent reference date, June 30<sup>th</sup>, 2025, the REIT was in breach as a result of planned tenant vacancies within this entity in preparation for the future sale of the Baldi property. The REIT is in negotiation with the senior lender to redesign the debt service scheme of this mortgage loan, but the total carrying amount of the loan remains classified as a current liability due to the lender’s right to repayment as at September 30, 2025.

### **Walpur - New mezzanine loan**

On April 16, 2025 (drawdown in May 2025), the REIT engaged in a new mezzanine financing for the Bad Homburg property. The 18-month mezzanine loan of €5,600 (\$9,361) bears interest at 12% (6% paid quarterly and 6% at maturity) and was allocated to the partial repayment of the Trio mortgage loan (see above). Management’s objective was to refinance this mezzanine loan with conventional financing, depending on progress on the reletting strategy.

### **Gaia Nanterre**

The mortgage loan within the Gaia Nanterre entity is subject to two loan covenants, requiring the interest coverage ratio (“ICR”) to be over 165% and the loan to value (“LTV”) ratio to be less than 70%. These covenants are tested twice a year for compliance on December 31<sup>st</sup> and June 30, at which date if either of the covenants are not met, a cash trap situation is triggered. As at the most recent reference date, June 30, 2025, the REIT is in breach of its ICR covenant, and the cash trap applies where the distributions are blocked, and payments can only be made related to mortgage loan repayment, operating expenses and administrative expenses. However, the covenant breach does not provide the senior lender with a right to early repayment on the loan and the carrying amount of the loan (\$35,506) remains presented as a non-current liability as at September 30, 2025.

## Note 11 – Exchangeable securities

Exchangeable securities issued and outstanding	Exchangeable securities	
	Number of Exchangeable securities	Carrying amount of Exchangeable securities
<b>Balance - December 31, 2023</b>	<b>938 036</b>	<b>1 595</b>
Conversion of exchangeable securities into units of the REIT	(545 144)	(503)
Net change in fair value of exchangeable securities	-	(735)
Impact of foreign exchange	-	28
<b>Balance - December 31, 2024</b>	<b>392 892</b>	<b>385</b>
Net change in fair value of exchangeable securities	-	(71)
Impact of foreign exchange	-	-
<b>Balance - September 30, 2025</b>	<b>392 892</b>	<b>314</b>

### Distribution in respect of Exchangeable Securities:

The Exchangeable Securities entitle the holder, Inovalis SA, to cash distributions from CCEU equal, on a per unit basis to the distributions paid to holders of units by the REIT. Since the suspension of distribution, Inovalis SA received interest on promissory notes from CCEU based on the contractual agreement, in the same way that the REIT received the interests on promissory notes from CCEU.

The following table breaks down distribution payments for distributions on exchangeable securities:

	Note	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Amount payable at the beginning of the period		-	108	-	236
Declared and recognized in earnings during the period		-	-	-	-
Distribution on exchangeable securities paid in cash		-	(66)	-	(194)
<b>Amount payable at the end of the period</b>		<b>-</b>	<b>42</b>	<b>-</b>	<b>42</b>

## Note 12 – Trade and other payables

	Note	As at September 30, 2025	As at December 31, 2024
Trade payables		4 869	6 321
<b>Trade payables</b>		<b>4 869</b>	<b>6 321</b>
Other payables		1 041	1 092
VAT payable		1 727	1 255
<b>Other payables</b>		<b>2 768</b>	<b>2 347</b>
<b>Total trade and other payables</b>		<b>7 637</b>	<b>8 668</b>

## Note 13 – Provisions

As at September 30, 2025, provisions include €165 (\$269) related to the Arcueil property.

## Note 14 – Revenue from investment properties

Revenue from investment properties consists of the following:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Regular rents	4 490	4 645	13 305	13 513
Rent free periods (lease incentives)	(110)	43	(268)	(132)
<b>Rental income</b>	<b>4 380</b>	<b>4 688</b>	<b>13 037</b>	<b>13 381</b>
Property operating cost recoveries	1 292	773	3 803	3 600
<b>Total revenue</b>	<b>5 672</b>	<b>5 461</b>	<b>16 840</b>	<b>16 981</b>

The property operating cost recoveries were as follows:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Taxes	401	382	1 162	1 166
Insurance	95	23	134	139
Property management fees	143	131	483	412
Utilities and other cost recoveries	653	237	2 024	1 883
<b>Property operating cost recoveries</b>	<b>1 292</b>	<b>773</b>	<b>3 803</b>	<b>3 600</b>

## Note 15 – Expenses

Property operating costs consist of the following:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Property tax expenses	(141)	(82)	(4 024)	(3 760)
Insurance expenses	(206)	(66)	(359)	(283)
Property management fees	(184)	(207)	(620)	(573)
Utilities and other costs	(677)	(1 386)	(3 249)	(4 282)
<b>Total property operating costs</b>	<b>(1 208)</b>	<b>(1 741)</b>	<b>(8 252)</b>	<b>(8 898)</b>

In accordance with IFRIC 21, the REIT recognizes the full amount of annual property tax liabilities at the point in time when the realty tax obligation is imposed. For the nine months ending September 30, 2025, the amount recognized is \$909 (2024 - \$881).

General and administrative expenses consist of the following:

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Asset management fees	(447)	(466)	(1 391)	(1 467)
Less : amount invoiced to joint ventures	319	297	932	881
	(128)	(169)	(459)	(586)
Professional fees for accounting, tax and audit	(504)	(389)	(1 489)	(1 595)
Legal expenses	(124)	(297)	(390)	(634)
Trustee fees	(52)	(88)	(205)	(228)
Travel expenses	(140)	(50)	(357)	(269)
Governance expenses	(43)	(89)	(201)	(247)
Bank and depositary fees	(78)	(78)	(195)	(219)
Listing, transfer agent and publication fees	(12)	(112)	(41)	(135)
Other general and administrative expenses	(1)	(165)	(466)	(689)
<b>Total general and administrative expenses</b>	<b>(1 082)</b>	<b>(1 437)</b>	<b>(3 803)</b>	<b>(4 602)</b>

## Note 16 – Finance costs and finance income

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Interest costs related to mortgage loans	(1 301)	(945)	(3 371)	(3 365)
Interest costs related to lease liabilities	(807)	(1 185)	(2 653)	(4 070)
Interest SWAP and CAP	-	7	-	520
Other finance costs	(237)	(127)	(451)	(250)
Amortization of transaction costs on mortgage loans	74	(215)	(55)	(342)
<b>Finance costs</b>	<b>(2 271)</b>	<b>(2 465)</b>	<b>(6 530)</b>	<b>(7 507)</b>
Finance income from joint venture loans	775	718	2 255	2 110
Other finance income	1	-	30	454
<b>Finance income</b>	<b>776</b>	<b>718</b>	<b>2 285</b>	<b>2 564</b>

## Note 17 – Trust units

The REIT is authorized to issue an unlimited number of units and an unlimited number of Special Voting Units.

The beneficial interests of the REIT are comprised of a single class of units which represent unitholders proportionate undivided beneficial interest in the REIT. No unit has any preference over any other unit. Each unit confers the right to one vote at any meeting of unitholders and to participate on a pro rata basis in any distributions by the REIT and, in the event of the termination of the REIT, in the net assets of the REIT remaining after the settlement of all liabilities of the Trust. The units of the Trust are redeemable at the demand of the unitholders at the fair market value of the units at that time.

Special Voting Units have no economic entitlement in the REIT but entitle the holder to one vote per Special Trust Unit at any meeting of the unitholders of the REIT. Special Voting Units may only be issued in connection with or in relation to Exchangeable Securities (see Note 11 – Exchangeable Securities) for the purpose of providing voting rights with respect to the REIT to the holders of such securities. As of September 30, 2025, 392,892 Special Voting Units were issued and outstanding (December 31, 2024 – 392,892).

## Note 18 – Accumulated other comprehensive income

	As at September 30, 2025	As at December 31, 2024
Net unrealized gain on derivatives designated as a hedge of the net investment in foreign entities	2 816	2 816
Cumulative translation adjustment account	30 470	12 850
<b>Accumulated other comprehensive income</b>	<b>33 286</b>	<b>15 666</b>

Change in cumulative translation adjustment account is \$17,620 attributable to the Unitholders of the Trust of which \$(125) is attributable to minority interest.

## Note 19 - Unit-based compensation plan

The REIT through its Deferred Share Unit (“DSU”) Plan, grants DSU’s to its trustees and senior officers as non-cash compensation. These DSU’s are measured at fair value at the grant date and compensation expense is recognized consistent with the vesting features of the plan. The DSU plan is accounted for as a cash-settled award as the underlying REIT units are redeemable at the sole discretion of the unitholders for cash at market value of the units. For cash-settled awards, the REIT recognizes a liability measured at its fair value. At each reporting date until the liability is settled, the fair value of the liability is remeasured, with any changes in fair value recognised as compensation expense for the same period. Upon settlement of a DSU, the liability balance is reduced and the resulting Trust Unit is recorded in equity.

Effective May 15, 2019, the REIT’s unitholders approved a DSU Plan to grant DSUs to its trustees and senior officers and reserved a maximum of 200,000 units for issuance under the plan. A DSU is a unit equivalent in value to one trust unit of the REIT. The DSU Plan permits the REIT’s trustees to defer receipt of all or a portion of their trustee fees until termination of the trustee service and to receive such fees in the form of trust units at that time (“Elected DU”). Elected DU will vest immediately upon grant.

On May 13, 2025, the REIT’s unitholders approved an additional 700,034 units of the REIT for issuance upon the exercise of deferred units granted under the Plan.

The DSU Plan allows the Board of Trustees to grant DSUs to its senior officers at the Board’s discretion (“Granted DU”). The Granted DU will vest 1/3 over each anniversary date from date of grant over three years. The cost of Granted DU is recognized in the interim consolidated statement of earnings consistent with the vesting feature of each grant.

In addition, whenever cash distributions are paid on the REIT’s Trust Units, additional deferred units (“ADU”) shall be granted based on aggregate number of vested DSUs as at the same date.

	As at September 30, 2025	As at December 31, 2024
Outstanding at beginning of period	157 240	58 595
Elected DU	51 959	70 222
Exercised	(57 689)	(66 325)
ADUs earned	121 330	92 125
Forfeited	-	2 623
<b>Outstanding at end of period</b>	<b>272 840</b>	<b>157 240</b>

As of September 30, 2025, 272,840 DSUs are outstanding and 627,194 DSUs are available for grant under the DSU Plan.

## Note 20 – Transactions with related parties

### Inovalis SA – Asset manager

Pursuant to the Management Agreement, Inovalis SA is the asset manager of the REIT and provides the strategic, advisory, asset management, project management, construction management, property management and administrative services necessary to manage the operations of the REIT and its subsidiaries.

Unless otherwise stated, none of these transactions incorporated special terms and conditions. The amended management agreement allows for the management fees to be settled quarterly through the issuance of either exchangeable securities or in cash. During the nine months ended September 30, 2025, the management fees were settled fully in cash.

Inovalis and its subsidiaries	Financial statement line item	Note	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Asset management fees	Administration expenses	A	(319)	(169)	(932)	(586)
Facilities management fees	Service charge expenses		(75)	(75)	(260)	(205)
Property management fees	Service charge expenses	B	(181)	(221)	(620)	(548)
Letting fees invoiced	Service charge expenses		(21)	(5)	(92)	(39)
less portion accounted for over the lease term	Service charge expenses		(13)	2	(77)	(26)
Reimbursement of travel expenses	Administration expenses		(213)	-	(357)	(219)
Trustee fees	Administration expenses		(52)	(88)	(205)	(228)
			<b>(874)</b>	<b>(556)</b>	<b>(2 543)</b>	<b>(1 851)</b>

- (A) Asset management fees of \$1391 and \$1467 for the nine-months ending September 30, 2025, and 2024 respectively, correspond to the asset management fees earned for the entire portfolio, including \$932 and \$881 attributable to assets held through joint ventures. Fees are payable in cash and/or exchangeable securities, the exact composition of which is determined by the Board annually.
- (B) An annual property management fee in an amount between 3.0% and 3.5% of the gross revenue of the properties, approximately 90% of which is rebilled to tenants.

Inovalis and its subsidiaries	Note	Due from (to) Inovalis SA	
		As at September 30, 2025	As at December 31, 2024
<b>Assets</b>			
Trade and other receivables	7	547	521
		<b>547</b>	<b>521</b>
<b>Liabilities</b>			
Interest-bearing loan		410	272
Distributions payable	11	-	(5)
Exchangeable securities	11	314	385
		<b>724</b>	<b>652</b>

On April 30, 2025, the REIT completed the sale of the Sabliere investment property to a third-party. In conjunction with the sale, the REIT incurred disposition fees amounting to €182 (\$286) paid to Inovalis SA. Additionally, the REIT paid a portion of broker fees totaling €278(\$435) to Advenis Conseil, a subsidiary of Inovalis SA. These broker fees were paid to secure the transaction and ensure that all parties involved were adequately compensated for their services. These transactions are considered related party transactions due to the affiliation between the REIT and Inovalis SA.

## Note 20 – Transactions with related parties (cont'd)

### Joint ventures

The transactions and balances with joint ventures entities are summarized below:

	Financial statement line item	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Management fees invoiced to joint ventures	Administration expenses	(319)	(297)	(932)	(881)
Facilities management fees	Service charge expenses	-	-	(51)	(28)
Property management fees	Service charge expenses	(58)	(75)	(237)	(188)
Letting fees invoiced	Service charge expenses	(22)	-	(22)	(95)
less portion accounted for over the lease	Service charge expenses	(16)	-	(16)	(91)
Finance income	Finance income	775	718	2 255	2 110
		<b>360</b>	<b>346</b>	<b>997</b>	<b>828</b>

		Due from joint ventures	
	Financial statement line item	As at September 30, 2025	As at December 31, 2024
<b>Assets</b>			
Loan receivable	Investments accounted for using the equity method	24 936	25 124
Interest receivables	Other financial assets - current	7 221	5 452
		<b>32 157</b>	<b>30 576</b>
<b>Liabilities</b>			
Balance of sale payable	Trade and other payables	405	147
		<b>405</b>	<b>147</b>

For more information on joint ventures, please refer to Note 6 – Investments in joint ventures.

### Remuneration of key management personnel

The following table presents the remuneration of key management personnel, which for the purposes of this note are defined as the members of the board of trustees as well as the officers of CCEU. The appointed officers of the REIT are employed and remunerated by Inovalis SA rather than the REIT, and the costs of their services are not invoiced distinctly from the overall asset management fees.

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Wages, fees and other benefits	(52)	(88)	(205)	(228)
	<b>(52)</b>	<b>(88)</b>	<b>(205)</b>	<b>(228)</b>

## Note 21 – Financial instruments and risk management

The following table shows an analysis of the fair values of financial instruments and non-financial assets measured at fair value on a recurring basis recognized on the consolidated balance sheet by the level of the fair value hierarchy. There are currently no items valued using Level 1 of the fair value hierarchy.

As at September 30, 2025			
	Level 2	Level 3	Total
Investment properties	-	293 920	293 920
Investment property - classified as held for sale	-	59 615	59 615
Exchangeable securities	(314)	-	(314)

As at December 31, 2024			
	Level 2	Level 3	Total
Investment properties	-	327 789	327 789
Investment property - classified as held for sale	-	26 061	26 061
Exchangeable securities	(385)	-	(385)

The REIT's financial assets and liabilities comprise cash, trade receivables, trade payables and accrued liabilities, mortgages loans and exchangeable securities. Fair values of financial assets and liabilities and discussion of risks associated with financial assets and liabilities are presented as follows.

### Fair value of financial assets and liabilities

The fair values of cash, trade receivables, trade payables and accrued liabilities approximate their carrying values due to the short-term maturities of these instruments.

#### (a) Mortgage loans

Mortgage loans are carried at amortized cost using the effective interest rate method of amortization. The estimated fair values of long-term borrowings are based on market information, where available, or by discounting future payments of interest and principal at estimated interest rates expected to be available to the REIT as at September 30, 2025.

The fair value of the mortgage loans has been determined by discounting the cash flows of these financial obligations using September 30, 2025, market rates for debts of similar terms (Level 2). Based on these assumptions, the fair value as of September 30, 2025 of the mortgage loans has been estimated at \$99,999 (December 31, 2024 – \$113,145) compared with the carrying value before deferred financing costs of \$110,784 (December 31, 2024 – \$114,449). The fair value of the mortgages payable varies from the carrying value due to fluctuations in interest rates since their issue.

#### (b) Exchangeable Securities

The fair value of the Exchangeable Securities is based on the quoted price of the REIT's own units, on the basis that they are exchangeable on a one-to-one basis throughout their life at the request of the unit holders. Other features of the Exchangeable Securities have no significant impact on their fair value.

## **Note 21 – Financial instruments and risk management (cont'd)**

### **Risks associated with current political environment in France**

Current conditions in the French political environment may negatively impact our ability to secure financing and the value of the assets in France.

France's political landscape has become more fragmented. The ongoing absence of a clear majority government has created political instability, which has significantly dampened the appetite of financial institutions for commercial lending and has tempered the appetite of potential investors, prompting them to adopt an even more conservative approach. The continuing succession of government changes has led to a tightening of lending criteria by lenders, making it increasingly difficult for businesses to secure loans. This has led to a contraction in both the supply and demand for commercial loans, as financial institutions grapple with heightened risks, businesses face higher borrowing costs, and the economy slows under the weight of this political and economic uncertainty. Transaction activity in Paris has slowed sharply, and even prime assets are experiencing reduced liquidity.

Foreign investors, traditionally a key source of capital, have been extremely cautious, temporarily pulling back from the French market. This retreat of foreign capital has further restricted the pool of funds available for commercial lending, also restricting country's business sector. The foregoing conditions may negatively impact the REIT's ability to refinance its existing loans or secure financing on terms acceptable to the REIT or at all, and the value of the REIT's asset which could adversely impact the REIT's liquidity and operating results or financial condition. Furthermore, these conditions may negatively impact the ability of the REIT to sell properties.

Recent political developments and ongoing discussions around potential fiscal reforms may contribute to increased volatility in the country's economic outlook. Any related impact on France's sovereign credit rating may be subject to review by credit rating agencies, depending on how the political and fiscal landscape evolves. Together, these elements may exert upward pressure on real estate capitalization rates and could influence asset valuations across the portfolio in the coming quarters. Management will continue to monitor closely, the macroeconomic and political environment in France, which is expected to remain uncertain in the near term.

Management has reason to believe that notwithstanding the most recent external valuations received for its French properties in Q2 2025, that the market has since further deteriorated and there is no assurance that the REIT would receive the appraised value for its French properties if it were to sell these properties at this time.

### **Risks associated with financial assets and liabilities**

The REIT is exposed to financial risks arising from its financial assets and liabilities. The financial risks include interest rate risk, credit risk and liquidity risk. The REIT's overall risk management program focuses on establishing policies to identify and analyze the risks faced by the REIT, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the REIT's activities. The REIT aims to develop a disciplined control environment in which all employees understand their roles and obligations.

#### **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of interest rate risk and currency risk.

#### **Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The REIT's exposure to the risk of changes in market interest rates relates to the long-term debt obligations with floating interest rates related to leases and mortgage loans. The interest rate risk is mitigated by the REIT's strategy using derivative financial instruments on mortgage loans and on the lease liabilities.

#### **Currency risk**

The REIT operates in France, Germany and Spain, and the functional currency for these operations is the Euro. The REIT's distributions are paid to unitholders in Canadian dollars. Thus, the cash available for distribution to unitholders could be adversely impacted by currency variations. To ensure the predictability of distributions to unitholders, the REIT enters into foreign currency forward contracts to offset its exposure to currency risk.

## Note 21 – Financial instruments and risk management (cont’d)

### Liquidity Risk

The REIT’s objective is to maintain a balance between continuity of funding and flexibility using bank deposits and loans. Liquidity risk inherent to the financial structure of the business is mainly managed through quarterly updates of short-term cash flow forecasts, follow-up of availability of funding through an adequate amount of committed credit facilities, as well as the status of the maturity of financial assets and liabilities.

Management has determined that there are no material uncertainties as to the REIT’s ability to operate as a going concern and sustain its operations for the twelve months following the date of the consolidated balance sheet. See Note 2 for key judgements made by management on arriving at this conclusion.

As of the reporting date, current liabilities exceed current assets by \$37,363. However, the company remains in a position to ensure continuity of operations. This assessment takes into account assets held for sale totaling \$59,615, which are expected to be disposed of in December 2025 (Baldi) and mid-February 2026 (Trio). When including these assets held for sale, current assets exceed current liabilities by \$22,252, thereby supporting the going concern assumption (See Note 4 – Going Concern).

The REIT is actively managing its liquidity risk with respect to these loans as follows:

- A. **Trio Loan** – The Trio loan has been classified as current due to its upcoming maturity and the classification as asset held for sale. On October 10, 2025, the REIT signed a preliminary exchange contract, notably subject to financing condition, with a closing anticipated for Q1 2026. (See Note 4 – Going Concern and Note 9 – Asset held for sale). Subsequent to the quarter end, to allow the completion of the ongoing sale process, the bank granted a short-term extension to the financing until February 16, 2026.
- B. **Baldi Loan** – Since the deleveraging of the Baldi mortgage loan in 2021, the lender exposure is down to 18% loan-to-value. As an offer to purchase Baldi has been accepted, the Baldi loan has been classified as a current liability associated with an asset held for sale. On August 1, 2025, the REIT signed an exchange contract for the disposition for the Baldi property, subject to financing condition. Given that all the other terms of the Baldi loan have been met and based the status of the REIT’s regular communications with the lender, management has determined that there is no material risk of the bank exercising its repayment right, before the disposition is closed. (See Note 4 – Going Concern and Note 9 – Asset held for sale).

Management also notes that the REIT has the ability to unlock liquidity as required through the disposal of other marketable and in-demand assets (Metropolitain and Vegacinco). The sale of either of these assets would generate significant positive working capital that the REIT could use to minimize any existing liquidity risk.

### Fair value of financial assets and liabilities

The following table provides a comparison of the carrying amounts and fair value of the REIT’s financial assets and liabilities that are not carried at fair value in the Consolidated Financial Statements.

As at September 30, 2025	Fair value hierarchy level	Carrying amount	Fair value
<b>Financial assets</b>			
Loans to joint ventures	3	24 936	24 936
<b>Financial liabilities</b>			
Mortgage loans	2	110 784	99 997
Tenant deposits	2	2 447	2 447
As at December 31, 2024	Fair value hierarchy level	Carrying amount	Fair value
<b>Financial assets</b>			
Loans to joint ventures	3	23 168	23 168
<b>Financial liabilities</b>			
Mortgage loans	2	114 449	113 145
Tenant deposits	2	2 483	2 483

## Note 22 – Cash flow information

	<i>Note</i>	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
<b>Adjustments for non-cash items and other reconciling items:</b>			
Decrease in rent-free period	5	191	185
Net change in fair value of investment properties	5	6 360	39 860
Net change in fair value of financial derivatives		-	691
Net change in fair value of exchangeable securities		(71)	(554)
Finance income	16	(2 285)	(2 564)
Finance costs	16	6 530	7 507
Share of net loss from investments in joint venture	6	1 887	2 586
Impairment of loans to joint ventures	7	-	1 244
Foreign exchange (loss) gain		(68)	2
		<b>12 544</b>	<b>48 957</b>
<b>Working capital adjustments</b>			
Decrease (increase) in trade and other receivables		2 347	(21)
Decrease (increase) in tenant deposits		(295)	46
Decrease (increase) in trade and other payables		(1 907)	2 849
		<b>145</b>	<b>2 874</b>

Cash and non-cash changes in liabilities arising from financing activities:

Liabilities	As at December 31, 2024	Cash flows - issuance	Cash flows - repayment	Foreign exchange movement	Fair value changes	As at September 30, 2025
Exchangeable securities	385	-	-	-	(71)	314
Mortgage loans	114 449	9 132	(23 853)	11 057	-	110 784
Lease liabilities	100 787	-	(4 288)	9 555	-	106 054

## Note 23 – Subsequent events

### Trio – Mortgage loan extension and Exchange contract

On October 10, 2025, with the pre-approval of the senior lender, HCOB, the REIT signed a preliminary exchange contract with a third-party buyer, notably subject to financing conditions, for closing anticipated for Q1 2026. Consequently, the senior lender granted a short-term extension on the mortgage loan until February 16, 2026, to allow for the completion of the ongoing sale process.

## Corporate information

### Head office

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### Investor relations

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### Stock exchange listing

The Toronto Stock Exchange

Listing symbol: INO.UN.TO

### Distribution Reinvestment Plan

On August 15, 2022, the REIT announced the suspension of its Distribution Reinvestment and Unit Purchase Plan (the “DRIP”) effective as of its September Distribution. The DRIP will remain suspended until further notice and commencing with the September 2022 Distribution, distributions of the REIT will be paid only in cash. The DRIP allowed eligible holders of units to reinvest their cash dividends paid in respect of their units in additional units, which, at the REIT’s election, were issued from treasury or purchased on the open market. If the REIT elected to issue units from treasury, such units were purchased under the DRIP at a three percent discount to the volume weighted average of the closing price for the units on the Toronto Stock Exchange (the “TSX”) for the five trading days immediately preceding the relevant dividend payment date. The REIT could, from time to time, in its sole discretion, change or eliminate the discount applicable to units issued from treasury.



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