

INOVALIS REAL ESTATE INVESTMENT TRUST
CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025, and 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of Inovalis REIT and the other financial information contained in the Annual Report have been prepared by, and are the responsibility of, the management, which is responsible for the integrity and fairness of the financial information presented. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), using management's best estimates and judgments when appropriate.

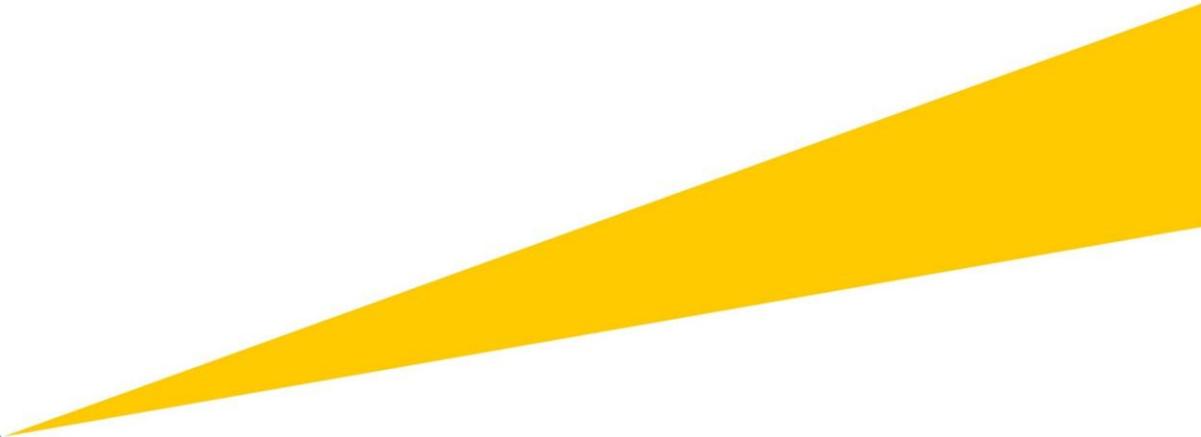
The Board of Trustees is responsible for ensuring that management fulfills its responsibility for financial reporting and internal controls. The Audit Committee, which comprises trustees, meets with management as well as the external auditor to satisfy itself that management is properly discharging its financial responsibilities and to review its consolidated financial statements and the report of the auditor. The Audit Committee reports its findings to the Board of Trustees, which approves the consolidated financial statements.

The 2025 consolidated financial statements were audited by *Ernst & Young Audit*, the independent auditor, in accordance with Canadian generally accepted auditing standards. The independent auditor has full and unrestricted access to the Audit Committee, with or without management present.

Stephane Amine

Chief Executive Officer

Toronto, Canada, March 25, 2026



Inovalis

Independent Auditor's Report

ERNST & YOUNG Audit



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Inovalis

Independent Auditor's Report

To the Unitholders of Inovalis Real Estate Investment Trust,

■ Opinion

We have audited the consolidated financial statements of Inovalis Real Estate Investment Trust and its subsidiaries (the Group), which comprise the consolidated balance sheets as at December 31, 2025 and 2024, and the consolidated statement of earnings, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the years then ended, and notes to the consolidated financial statements, including a material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

■ Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

■ Material uncertainty related to going concern

We draw attention to paragraph "Liquidity risk" in Note 25 of the consolidated financial statements, which indicates that the Group's current liabilities exceeded its total assets by \$39 million as of 31 December 2025, and describes the way the group manages its liquidity risk. As stated in paragraph "Going concern analysis" in Note 4, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern, arising from the need to complete the refinancing or extension of the bank debts maturing in March 2027. Our opinion is not modified in respect of this matter.



■ **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investment properties</p> <p>The Group’s investment property portfolio is comprised of properties held to earn rental income. As at December 31, 2025, fair value of those properties amounts to \$276 million and the Group’s share of the fair value of those properties held through investments in joint ventures amounts to \$119 million. Note 3 of the consolidated financial statements describes the accounting policy for investment properties.</p> <p>The Group appointed independent real estate valuation expert to determine the fair value of the investment property portfolio. The valuation methodology for these investment properties is based on is the direct capitalization method as set out in Note 6 of the consolidated financial statements, which also discloses the sensitivity of the fair value of investment properties to a change in capitalization and discount rates.</p> <p>The valuation of the Group’s investment property portfolio is a key audit matter given the inherently subjective nature of significant assumptions including, capitalization rates, cashflow projections and stabilized net operating income adjustments, such as market rental rates and stabilized vacancy.</p>	<p>With the assistance of our real estate valuation specialists, we evaluated the appropriateness of the underlying valuation methodology, and performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> ▶ We assessed the competence, objectivity and capabilities of real estate valuation experts appointed by management, by analyzing the qualifications and expertise of the individuals involved in the preparation of the valuations. ▶ We assessed the suitability of the valuation methodology used. ▶ For a sample of investment properties, we assessed the significant assumptions used by comparison to the expected real estate market benchmark range for similar assets and tenancies, in similar locations. ▶ We also considered whether there were any additional asset-specific characteristics that may impact the significant assumptions used and whether these were appropriately included in the overall assessment of fair value. ▶ We assessed the REIT’s accounting policy applied for investment properties and related disclosures in the consolidated financial statements to assess appropriateness and conformity with IFRS.



Given the size of the investment property portfolio relative to total consolidated assets of the Group, a relatively minor adjustment in assumptions in the valuation of each individual property can lead to a material difference in the consolidated financial statements. These assumptions are influenced by property-specific characteristics including location, type and quality of the properties and tenancy agreements.

■ Other information

Management is responsible for the other information. The other information comprises:

- Management's discussion and analysis,
- The information, other than the consolidated financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion & Analysis and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

■ Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



■ Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jean Philippe Bertin.

A handwritten signature in blue ink that reads 'EY & Young Audit'. The 'EY' is written in a large, stylized cursive font, followed by '& Young Audit' in a smaller, more legible cursive script.

1-2, place des Saisons - 92400 Courbevoie - Paris-La Défense 1, France

25 March 2026

¹ CPA auditor, public accountancy permit no. A1696

Inovalis Real Estate Investment Trust

Consolidated Balance Sheets

As at December 31,

(All dollar amounts in thousands of Canadian dollars)

Assets	Note	2025	2024
Non-current assets			
Investment properties	6	275 916	327 789
Investments in joint ventures	7	35 174	37 047
Other financial assets		460	407
Restricted cash	11	684	1 611
Total non-current assets		312 234	366 854
Current assets			
Trade receivables and other financial assets	9	7 975	9 528
Other current assets	10	1 944	1 873
Restricted cash	11	373	1 651
Cash	11	25 057	6 249
Total current assets		35 349	19 301
Asset held for sale	12	15 797	26 061
Total assets		363 380	412 216
Liabilities and equity	Note	2025	2024
Liabilities			
Non-current liabilities			
Interest-bearing loan	13	205	189
Mortgage loans	13	57 993	53 961
Lease liabilities	13	90 682	95 752
Tenant deposits		2 176	2 228
Total non-current liabilities		151 056	152 130
Current liabilities			
Interest-bearing loan	13	26	83
Mortgage loans	13	42 623	60 488
Lease liabilities	13	12 999	5 035
Tenant deposits		-	255
Exchangeable securities	14	416	385
Trade and other payables	15	8 535	8 668
Income tax payable	22	9 550	2 238
Deferred income		248	586
Provisions	16	278	243
Total current liabilities		74 675	77 981
Total liabilities		225 731	230 111
Equity			
Trust units	17	300 859	296 206
Deficit		(191 908)	(129 834)
Accumulated other comprehensive income	24	29 856	15 666
Total unitholders' equity		138 807	182 038
Non-controlling interest	18	(1 158)	67
Total equity		137 649	182 105
Total liabilities and equity		363 380	412 216

See accompanying notes to 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
Consolidated Statements of Earnings
For the years ended December 31,

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

	<i>Note</i>	2025	2024
Rental revenue	<i>19</i>	17 304	18 639
Property operating cost recoveries	<i>19</i>	4 560	5 103
Property operating costs	<i>20</i>	(9 849)	(10 153)
Other revenues	<i>19</i>	579	367
Other property operating expenses		(2 041)	(181)
Net rental income		10 553	13 775
General and administrative expenses	<i>20</i>	(5 442)	(5 990)
Foreign exchange loss		(49)	-
Loss on disposal of investment properties		(704)	-
Share of net loss from joint ventures	<i>7</i>	(4 998)	(5 910)
Operating earnings (loss) income		(640)	1 875
Net change in fair value of Investment properties	<i>6</i>	(40 568)	(66 774)
Net change in fair value of Financial derivatives		-	(20)
Net change in fair value of Exchangeable securities	<i>14</i>	(31)	735
Impairment loss of financial asset		(3 514)	-
Finance income	<i>21</i>	3 070	3 282
Finance costs	<i>21</i>	(8 369)	(10 336)
Distributions on Exchangeable securities	<i>14</i>	17	-
Loss before income taxes		(50 035)	(71 238)
Current income tax expense	<i>22</i>	(7 166)	(106)
Deferred income tax recovery	<i>22</i>	-	1 313
Total income tax (expenses) recoveries		(7 166)	1 207
Net loss		(57 201)	(70 031)
Net loss attributable to:			
Non-controlling interest		(1 227)	(898)
Unitholders of the Trust		(55 974)	(69 133)
		(57 201)	(70 031)

See accompanying notes to consolidated financial statements.

Inovalis Real Estate Investment Trust
Consolidated Statements of Comprehensive Income
For the years ended December 31,
(All dollar amounts in thousands of Canadian dollars)

	<i>Note</i>	2025	2024
Net loss for the year		(57 201)	(70 031)
Other comprehensive income			
Items that may be reclassified subsequently to income :			
Change in cumulative translation adjustment account	18	14 152	4 176
Other comprehensive income		<u>14 152</u>	<u>4 176</u>
Total comprehensive loss		<u>(43 049)</u>	<u>(65 855)</u>
Total comprehensive loss attributable to:			
Non-controlling interest		(1 265)	(896)
Unitholders of the Trust		(41 784)	(64 959)
Total comprehensive loss		<u>(43 049)</u>	<u>(65 855)</u>

See accompanying notes to consolidated financial statements.

Inovalis Real Estate Investment Trust
Consolidated Statements of Changes in Equity
For the years ended December 31,
(All dollar amounts in thousands of Canadian dollars, unless otherwise stated)

	<i>Note</i>	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	23	545 144	503	-	-	503	-	503
Issuance of units from payment of trustee fees	17	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)
As at December 31, 2024		<u>33 206 180</u>	<u>296 206</u>	<u>(129 834)</u>	<u>15 666</u>	<u>182 038</u>	<u>67</u>	<u>182 105</u>
Distributions declared to Unitholders	23	4 849 575	4 575	(6 100)	-	(1 525)	-	(1 525)
Consolidation of Units	23	(4 849 575)	-	-	-	-	-	-
Issuance of units for payment of Trustee Fees	17	96 127	78	-	-	78	-	78
Foreign exchange impact on Non-controlling interest		-	-	-	-	-	40	40
		<u>96 127</u>	<u>4 653</u>	<u>(6 100)</u>	<u>-</u>	<u>(1 447)</u>	<u>40</u>	<u>(1 407)</u>
Net loss for the year		-	-	(55 974)	-	(55 974)	(1 227)	(57 201)
Other comprehensive income (loss)		-	-	-	14 190	14 190	(38)	14 152
Comprehensive (loss) income		-	-	(55 974)	14 190	(41 784)	(1 265)	(43 049)
As at December 31, 2025		<u>33 302 307</u>	<u>300 859</u>	<u>(191 908)</u>	<u>29 856</u>	<u>138 807</u>	<u>(1 158)</u>	<u>137 649</u>

See accompanying notes to consolidated financial statements.

Inovalis Real Estate Investment Trust
Consolidated Statements of Cash Flows
For years ended December 31,
(All dollar amounts in thousands of Canadian dollars)

	<i>Note</i>	2025	2024
Operating activities			
Loss before income taxes		(50 035)	(71 238)
Interest received		4 793	1 232
Interest paid		(8 369)	(7 057)
Income tax paid		(76)	(106)
Distributions paid in cash	23	(1 525)	-
Distributions in respect of exchangeable securities paid in cash	14	-	(237)
Adjustments for non-cash items and other reconciling items	31	51 446	76 062
		<u>(3 766)</u>	<u>(1 344)</u>
Working capital adjustments	31	(1 062)	2 257
Net cash flows related to operating activities		<u>(4 828)</u>	<u>913</u>
Investing activities			
Additions to investment properties and capitalized letting fees	6	(1 410)	(729)
Disposition of investment property - Sablière property	6	27 348	-
Disposition of investment property - Baldi property	6	22 607	-
Additional loan advances to joint ventures	7	(529)	(1 187)
Loan repayments received from joint ventures	7	529	626
Net change in restricted cash	11	2 416	1 991
Net cash flows related to investing activities		<u>50 961</u>	<u>701</u>
Financing activities			
Issuance of mortgage loans	13	9 382	-
Repayment of mortgage loans	13	(32 161)	(3 897)
Repayment of lease liabilities	13	(5 297)	(4 079)
Issuance of interest bearing loan		(41)	58
Net cash flows related to financing activities		<u>(28 116)</u>	<u>(7 918)</u>
Increase (decrease) in cash		18 017	(6 305)
Effects of foreign exchange adjustments on cash		791	65
Cash at the beginning of the period	11	6 249	12 489
Cash at the end of the period	11	<u>25 057</u>	<u>6 249</u>

See accompanying notes to consolidated financial statements

Inovalis Real Estate Investment Trust
Notes to the consolidated financial statements
December 31, 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 annual 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 consolidated financial statements for the year ended December 31, 2025, were authorized for issuance by the Board of Trustees on March 25, 2026.

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 3 – Significant accounting policies, and to Note 27 – Transactions with related parties, 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 S.A. is the President and CEO of the REIT, the Chief Executive Officer (“CEO”) of Inovalis S.A. is also a part of the management team of the REIT, and the Deputy Chief Executive Officer of Inovalis S.A. is Chief Investment Officer (“CIO”) and Chief Financial Officer (“CFO”) of the REIT.

Note 2 – Basis of presentation and statement of compliance

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The REIT has prepared the financial statements on the basis that it will continue to operate as a going concern. Management believes that the REIT has adequate resources to remain operational for the foreseeable future. However, management has determined that there is a material uncertainty associated with the going concern assumption for the 12-month period following the release of the financial statements. This uncertainty arises from the need to complete the refinancing or extension of the bank debts maturing in March 2027, notably the debt secured by the Gaia property.

See Note 4, section Going Concern Analysis for further details.

Basis of presentation

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the consolidated balance sheets which are measured at fair value:

- Investment properties (including right-of-use assets) (Note 6);
- Exchangeable securities (Note 14);
- Derivative financial instruments (Note 8).

Note 3 – Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

New accounting standards adopted

The REIT applied certain standards and amendments for the first time, which are effective for annual periods beginning on or after January 1, 2025:

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

In August 2023, 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 annual 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.

Basis of consolidation

The consolidated financial statements include the financial statements of the Trust and all its subsidiaries as of December 31, 2025. The Trust controls an entity if it has power over the entity, if it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All subsidiaries have the same reporting date as the Trust. Subsidiaries are consolidated from the date of acquisition, being the date on which the Trust obtains control, and continue to be consolidated until the date when such control ceases.

All intra-group balances, transactions and unrealized gains and losses resulting from intra-group transactions are eliminated on consolidation level.

Details of the Trust's subsidiaries as of December 31, 2025 & 2024 are as follows:

Name of subsidiary	Principal Activity	Name of the assets	Country of Incorporation and Residence	Proportion of Ownership Interest and Voting Power Held - 2025	Proportion of Ownership Interest and Voting Power Held - 2024
Cancorp Europe SA ("CCEU")	Holding Company for European assets		Luxembourg	96.59%	96.59%
Walpur Four SA ("Walpur")	Investment property holding	Bad Homburg Property	Luxembourg	100% held by CCEU	100% held by CCEU
INOPCI 1	Holding Company Investment		France	100% held by CCEU	100% held by CCEU
SCI Baldi	Investment property holding	Baldi Property	France	100% held by INOPCI 1	100% held by INOPCI 1
SCI Sabliere ¹	Investment property holding	Sabliere Property	France	N/A	100% held by INOPCI 1
SCI Metropolitan	Investment property holding	Metropolitan Property	France	99% held by INOPCI 1	99% held by INOPCI 1
Arcueil SI General Partner SARL	General partner for Arcueil SCS		Luxembourg	100% held by CCEU	100% held by CCEU
Arcueil SCS ("Arcueil")	Investment and holding Company		Luxembourg	100% held by CCEU	100% held by CCEU
Metropolitan LLC	Investment property holding		USA	100%	100%
SCI Lenine Arcueil	Investment property holding	Arcueil Property	France	99.90% held by INOPCI 1	99.90% held by INOPCI 1
Cancorp Trio 1	Investment property holding	Trio Properties	Luxembourg	94.90% held by CCEU	94.90% held by CCEU
Cancorp Trio 2	Investment property holding	Trio Properties	Luxembourg	94.90% held by CCEU	94.90% held by CCEU
Cancorp Trio 3	Investment property holding	Trio Properties	Luxembourg	94.90% held by CCEU	94.90% held by CCEU
Cancorp Cologne 2 SARL ²	Investment and holding Company		Luxembourg	N/A	100% held by CCEU
SCI Gaia Nanterre ("Gaia")	Investment property holding	Gaia Property	France	99.99% held by INOPCI 1	99.99% held by INOPCI 1
Cancorp Vegacingo SLU ("Vegacingo")	Investment property holding	Delgado Property	Spain	100% held by CCEU	100% held by CCEU

¹ On August 3, 2025, SCI Sabliere was dissolved and any remaining assets and liabilities within the entity were absorbed by its 100% shareholder, INOPCI 1.

² On June 10, 2025, Cancorp Cologne 2 SARL was dissolved and any remaining assets and liabilities within the entity were absorbed by its 100% shareholder, Cancorp Europe SA.

Note 3 – Significant accounting policies (Cont’d)

Basis of consolidation (Cont’d)

Also, as further explained in Note 3 under the caption “Exchangeable securities”, the 0.47% interest held by Inovalis SA in CCEU and its subsidiaries (3.41% in 2024) is presented as a liability rather than a non-controlling interest (refer to Note 14 for details regarding this interest).

Business combinations and goodwill

When determining whether a transaction should be accounted for as a business combination or as an asset acquisition, the REIT has elected to use the concentration test specified in IFRS 3, *Business Combinations* (“IFRS 3”). Under the concentration test, if substantially all of the fair value of the gross assets acquired are concentrated in a single identifiable asset or group of similar identifiable assets, the REIT accounts for the transaction as an asset acquisition rather than a business combination.

Business combinations are accounted for using the acquisition method. Accordingly, the consideration transferred for the acquisition of a business is the fair value of the assets transferred, and any debt and trust units issued by the REIT on the date control of the acquired entity is obtained. Acquisition-related costs, other than those associated with the issue of debt or trust units, are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are generally measured at their fair values at the acquisition date. The REIT measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the identifiable assets acquired and liabilities assumed, generally at fair value, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

The REIT elects, on a transaction-by-transaction basis, whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date.

Asset acquisitions

Upon the acquisition of an asset or a group of assets and liabilities that does not constitute a business, the REIT identifies and recognizes the individual identifiable assets acquired and liabilities assumed. The REIT first measures all assets and liabilities that are required to be measured at other than cost at the amount specified in the applicable IFRS Standard. The REIT deducts from the transaction price of the group, the amounts allocated to the assets and liabilities initially measured at an amount other than cost and allocates the residual transaction price to the remaining identifiable assets and liabilities based on their relative fair values at the date of the acquisition.

When the acquisition of an asset or a group of assets and liabilities is achieved in stages, the REIT’s previously held interests in the acquired assets and liabilities are remeasured to their acquisition-date fair values on the date that control is obtained. Any gain or loss on the previously held interest is recognized in profit or loss.

Note 3 – Significant accounting policies (Cont'd)

Foreign currency translation

(a) Functional and presentation currencies

Items included in the financial statements of each of the REIT's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

(b) Functional and presentation currencies

The functional currency of the Trust's subsidiaries and joint ventures is the euro, whereas the functional currency of the Trust, as well as its presentation currency, is the Canadian dollar.

(c) Accounting for transactions and balances in foreign currencies

Foreign currency transactions are translated into the relevant functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions or valuation where items are reassessed. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the consolidated statement of earnings under "Foreign exchange loss".

(d) Foreign operations

The results and financial position of all the foreign entities are translated into the presentation currency upon consolidation as follows:

- i. Assets and liabilities are translated at the closing rate at the balance sheet date;
- ii. Items presented in the consolidated statement of earnings, consolidated statement of comprehensive income and consolidated statement of cash flows are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income, expenses and cash flows are translated at the rate on the dates of the transactions); and
- iii. All resulting exchange differences are recognized in other comprehensive income and recognized as a cumulative translation adjustment account in "Accumulated other comprehensive income" in equity.

When a foreign operation is partially or entirely disposed of, related exchange differences that were recorded in equity are recognized in the consolidated statement of earnings as part of the gain or loss on the sale.

Investment properties

An investment property is defined as property held to earn rental income or for capital appreciation or both but not for sale in the ordinary course of business or use for administrative purposes. Property held under a lease is classified as an investment property when the definition of an investment property is met.

Investment property other than property acquired in a business combination is measured initially at cost including transaction costs. Transaction costs include transfer costs, taxes, professional fees for legal services and broker acquisition fees to bring the property to the condition necessary for it to be capable of operating.

Subsequent to initial recognition, capital expenditures are capitalized as part of the investment properties which are then carried at fair value at each reporting date. Under the fair value model, investment properties are recorded at fair value, determined based on available market evidence at each reporting date. Gains or losses arising from changes in the fair values are recognized in the consolidated statement of earnings in the reporting period in which they arise. For the purpose of these consolidated financial statements, in order to avoid "double counting", the assessed fair value may be reduced by the carrying amount of any accrued income resulting from the straight lining of rental income.

The fair value of investment properties is determined by management with the assistance of independent appraisers who have the appropriate qualifications and relevant experience in the valuation of properties. Fair values of investment properties are determined by using recognized appraisal valuation techniques and the principles of IFRS 13, Fair value measurement ("IFRS 13"). Refer to Note 4 – Critical accounting judgments and estimates, for a more detailed description of the valuation techniques used.

Note 3 – Significant accounting policies (Cont'd)

Joint arrangements

A joint arrangement is an arrangement in which the REIT and other parties undertake an economic activity that is subject to joint control. Joint control applies to situations where decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is classified either as a joint operation or a joint venture. A joint operation is an arrangement whereby joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement whereas a joint venture is an arrangement whereby parties to the joint ventures only have rights to the net assets of the arrangement. The REIT's investments in joint arrangements qualify as joint ventures.

A joint venture is initially recognized at cost plus directly related acquisition costs. However, any excess of the REIT's share of the fair value of the joint venture's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the REIT's share of the joint venture's net profit or loss in the reporting period in which the investment is acquired.

Investments in joint ventures are subsequently accounted for using the equity method. The carrying amount includes investment in the joint venture using the equity method together with any long-term loan receivable that, in substance, form part of the REIT's net investment in the joint venture. The carrying amount of investment in joint ventures is increased or decreased to recognize the REIT's share of the net profit or loss and other comprehensive income (loss) of the joint venture, adjusted where necessary to ensure consistency with the accounting policies of the REIT. Unrealized gains and losses on transactions between the REIT and its joint ventures are eliminated to the extent of the REIT's interest in the joint venture.

The requirements of IAS 36, Impairment of Assets ("IAS 36") are applied to determine whether it is necessary to recognize any impairment loss with respect to the REIT's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

As at December 31, 2025 & 2024, the Trust, through its subsidiary CCEU, holds the following joint ventures:

Name of entity	Principal Activity	Property Name	Country of Incorporation and Residence	Proportion of Ownership Interest and Voting Power Held - 2025	Proportion of Ownership Interest and Voting Power Held - 2024
Cancorp Duisburg SARL ("Duisburg")	Investment property holding	Duisburg Property	Luxembourg	50% held by CCEU	50% held by CCEU
TFI Cancorp Stuttgart SARL ("Stuttgart")	Investment property holding	Stuttgart Property	Luxembourg	50% held by CCEU	50% held by CCEU
SCI Delizy Diamants ("Delizy")	Investment property holding	Delizy Property	France	50% held by INOPCI 1	50% held by INOPCI 1
TFI Cancorp Isenburg SARL ("Isenburg")	Investment property holding	Neu Isenburg Property	Luxembourg	50% held by CCEU	50% held by CCEU
TFI Cancorp Kosching SARL ("Kosching")	Investment property holding	Kösching Property	Luxembourg	50% held by CCEU	50% held by CCEU

Note 3 – Significant accounting policies (Cont'd)

Trust units

The REIT classifies issued and outstanding units as equity in the consolidated balance sheet. The units are traditionally financial liabilities but are presented as equity by exception. The units are puttable financial instruments because of the unitholders' option to request that the REIT redeem the units, at any point during at the holders option, at a redemption price per unit equal to the fair market value of the units at that time. The REIT has classified the units as equity on the basis the units meet all the criteria in IAS 32, Financial Instruments: Presentation ("IAS 32") for such classification also referred to as the "puttable exemption", as follows:

- i. The units entitle the unitholder to a pro rata share of the REIT's net assets in the event of the REIT's liquidation. The REIT's net assets are those assets that remain after satisfaction of all its liabilities;
- ii. The units are in the class of instruments that are subordinate to all other classes of instruments because they have no priority over other claims to the assets of the REIT on liquidation, and do not need to be converted into another instrument before they are in the class of instruments that is subordinate to all other classes of instruments;
- iii. All units have identical features;
- iv. Apart from the contractual obligation for the REIT to redeem the Units for cash, the Units do not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the REIT, and are not a contract that will or may be settled in the REIT's own equity instruments; and
- v. The total expected cash flows attributable to the units over their life is based substantially on the profit or loss, the change in recognized net assets or the change in the fair value of the recognized and derecognized net assets of the REIT over the life of the units.

In addition to the units meeting all of the above criteria, the REIT has determined it has no other financial instrument or contract that has total cash flows based substantially on the net profit or loss, the change in recognized net assets, or the change in the fair value of the recognized and derecognized net assets of the REIT. The REIT also determined that has no other financial instruments or contracts that have the effect of substantially restricting or fixing the residual return to the unitholders.

Units are initially recognized at the fair value of the consideration received in return for units issued by the REIT. Any transaction costs arising on the issuance of units are recognized directly as a reduction of the carrying value attributed to the units.

Note 3 – Significant accounting policies (Cont'd)

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and liabilities are recognized when the REIT becomes a party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Financial assets are derecognized when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the REIT has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is extinguished, discharged, cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) shall be accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Financial assets and liabilities are offset, and the net amount presented in the consolidated balance sheet when, and only when, the REIT has a current legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Classification and subsequent measurement

Trade receivables, loan receivables from joint ventures, and other financial assets

Trade receivables, loan receivables from joint ventures, and other financial assets are initially measured at fair value and subsequently measured at amortized cost using the effective interest method, less a provision for impairment if applicable.

Derivative financial instruments and hedge of a net investment in foreign operations

Derivative financial instruments are initially measured at their fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Changes in fair value are recognized through profit or loss, except those designated in effective hedging relationships. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

For derivatives that are designated in effective hedging relationships, at the inception of the hedging relationship there is a formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge. That documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the entity will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio). Such hedges are expected to be highly effective and are assessed on an ongoing basis to determine that they have been highly effective throughout the financial reporting periods for which they were designated. If a cash flow hedge meets the qualifying criteria, the derivatives and their change in fair value is recognized in "Other comprehensive income".

Note 3 – Significant accounting policies (Cont'd)

Financial Instruments (Cont'd)

Classification and subsequent measurement (Cont'd)

Exchangeable securities

The exchangeable securities issued by the Trust's subsidiary, CCEU, consist of convertible interest-bearing debt instruments in euros and exchangeable into a fixed number of units of the Trust at the discretion of the holder, Inovalis SA, and represent the interest not held by the REIT in controlled and consolidated subsidiaries. However, if upon maturity of the debt instruments, the unit price of the REIT's units is less than \$10 per unit, the REIT has the right to the Exchangeable Securities for a fixed number of units of the REIT rather than reimburse the debt. This liability is designated at fair value through profit or loss and measured initially and subsequently at fair value with changes in fair value recognized in the consolidated statements of earnings. This designation is related to the existence of non-closely related embedded derivatives. Gains and losses on remeasurement to fair value are included in the consolidated statement of earnings in "Net change in fair value of Exchangeable Securities" as the cumulative change due to credit spread change is negligible. Transaction costs are expensed in the consolidated statement of earnings in the period in which the costs are incurred, and the services are received. The exchangeable securities are classified as current except for the portion held in escrow, which is classified as non-current.

The Exchangeable Securities are accompanied by Special Voting Units issued by the Trust, which have no economic interest but provide the Exchangeable Securities holder with the same voting rights in the Trust as a Unit. Special Voting Units may only be issued in connection with or in relation to Exchangeable Securities for the purpose of providing voting rights with respect to the Trust to the holders of such securities.

In performing its obligations under the management agreement, Inovalis SA is entitled to receive asset management fees. These asset management fees earned by Inovalis SA, in its role as manager of the REIT, are settled quarterly through the issuance of either exchangeable securities or in cash.

The per-unit value of the Exchangeable Securities issued at the time of the initial public offering, including the overallotment, was based on the offering price. The per-unit value of Exchangeable Securities issued by CCEU in lieu of payment for annual management fees is determined based on average quoted market price of the REIT's units on the Toronto stock exchange for five days (volume weighted average price) immediately preceding the transaction.

Tenant deposits

Tenant deposits are measured initially at fair value and subsequently at amortized cost using the effective interest method. Under the effective interest method, the difference between the fair value and the notional amount of tenant deposits assumed in business combinations is deferred and recognized over time until the repayment date.

Mortgage loans and lease equalization loans

Mortgages loans and lease equalization loans are recognized initially at fair value and subsequently at amortized cost using the effective interest method with transaction cost spread over the life of the loan. These financial liabilities are classified as current liabilities if payment is due within twelve months, which can include accrued interest, or if the REIT does not have an unconditional right to defer settlement for at least twelve months. Otherwise, they are presented as non-current liabilities. Under the effective interest method, the difference between the fair value and the notional amount of these loans assumed in business combinations is deferred and recognized over time until the repayment date.

Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

Note 3 – Significant accounting policies (Cont'd)

Financial Instruments (Cont'd)

Classification and subsequent measurement (Cont'd)

Fair value hierarchy of financial and non-financial items

The fair value hierarchy, which applies to the determination of fair value, requires, first, the use of observable data which reflects market data obtained from independent sources, if such data exists. An asset or liability is classified at the lowest hierarchical level when significant unobservable market data has been used in the fair value measurement.

The REIT uses the following hierarchy for the fair value determination of financial and non-financial items:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access on the valuation date.
- Level 2 - use of a model with inputs (other than quoted prices classified level 1) that are directly or indirectly observable market data.
- Level 3 - use of a model with inputs that are not based on observable market data.

The REIT recognizes transfers between levels of the fair value hierarchy at the date of the event of a change in circumstances that caused the transfer.

Impairment

The REIT uses the expected credit loss (“ECL”) model for calculating impairment on financial assets other than those carried at fair value through profit or loss.

For trade receivables, the REIT applies the simplified approach as permitted by IFRS 9 which requires lifetime expected credit losses (“LTECL”) be recognized from initial recognition of receivables. The carrying amount of these assets in the consolidated balance sheet is stated net of any loss allowance.

For its loans to joint ventures, the ECL is based on the credit losses expected to arise over the life of the loan (the LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-months’ expected credit losses (the “12mECL”). The 12mECL is the portion of LTECL that represents the ECL that result from default events on a financial instrument that are possible within 12-months after the reporting date.

The REIT has established a policy to perform an assessment each period as to whether a financial instrument’s credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above processes, the REIT groups its loans to joint ventures into Stage 1, Stage 2, Stage 3 and Purchased or Originated Credit Impaired (“POCI”), as described below:

- Stage 1: When loans are first recognized, the REIT recognizes an allowance based on 12mECL. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination and is not credit-impaired, the REIT records an allowance for the LTECL.
- Stage 3: Loans considered credit-impaired (see Note 7.) The REIT records an allowance for the LTECL.

POCI assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit adjusted EIR (effective interest rate).

Note 3 – Significant accounting policies (Cont'd)

Financial Instruments (Cont'd)

Classification and subsequent measurement (Cont'd)

Impairment (Cont'd)

Interest income is recorded based on the gross carrying amount of instruments in Stages 1 and 2, whereas it is calculated based on the carrying amount net of the ECL for those instruments in Stage 3.

Expected credit losses are measured based on expected cash shortfalls, discounted at the instrument's original effective interest rate. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive and are determined using the Probability of Default ("PD"), i.e. the likelihood of default over a given time horizon, the Exposure at Default ("EAD"), i.e. an estimate of the exposure at a future default date, and the Loss Given Default ("LGD"), i.e. an estimate of the loss arising in the case where a default occurs at a given time.

The ECL allowance is only recognized or released to the extent that there is a subsequent change in the expected credit losses. Impairment losses on all financial assets other than loans to joint ventures are recorded in administration expenses in the consolidated statement of earnings of the REIT. Impairment losses on loans to joint ventures are recorded in net income (loss) from joint ventures. Also see Note 7. Impairment losses are grouped with the carrying amount of the financial asset or group of financial assets reduced through the use of impairment allowance accounts in the consolidated statement of financial position.

In periods subsequent to the impairment where the impairment loss has decreased, and such decrease can be related objectively to conditions and changes in factors occurring after the impairment was initially recognized, the previously recognized impairment loss would be reversed through the consolidated statement of earnings. The impairment reversal would be limited to the lesser of the decrease in impairment or the extent that the carrying amount of the financial asset, at the date the impairment is reversed, does not exceed what the amortized cost would have been had the impairment not been recognized, after the reversal.

Assets held for sale

Assets held for sale and liabilities directly associated with assets held for sale are presented on a separate line of the balance sheet when (i) the REIT made the decision to sell the assets (ii) the assets are available for immediate sale in its present condition and (iii) the sale is considered highly probable. These assets are measured at the lower of their carrying value and fair value, less the selling costs.

If impairment loss identified for a disposal group exceeds the carrying amount of non-current assets which are in the scope of IFRS 5, Non-current Assets Held for Sale and Discontinued Operations for measurement within that disposal group, such excess is not recognized.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the REIT's cash management.

Note 3 – Significant accounting policies (Cont’d)

Leases

The REIT assesses at contract inception whether a contract is, or contains, a lease based on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the REIT allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

As a lessor

The REIT leases out its investment property, including right-of-use assets. The REIT has classified these leases as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of earnings due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

The REIT applies IFRS 15, Revenue from Contracts with Customers to allocate consideration in the contract to each lease and non-lease component.

As a lessee

The REIT recognizes a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets that meet the definition of investment property are presented within investment property. These right-of-use assets are initially measured at cost, and subsequently measured at fair value, in accordance with the REIT’s accounting policies.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the REIT’s incremental borrowing rate for similar assets. Generally, the REIT uses its incremental borrowing rate as the discount rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Revenue recognition

Rental revenue

Management has determined that all leases concluded between the REIT and its tenants are operating leases. Rental revenue from operating leases is recognized on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the REIT is reasonably certain that the tenant will exercise that option. Rental revenue received during the financial year but relating to a subsequent financial year are included in the liabilities under the caption “Deferred Income”. Lease cancellation fees are recognized when they are due. Lastly, incidental income is recognized when services are rendered.

Property operating cost recoveries

Leases generally provide for the tenants’ payment of maintenance expenses for common elements, property taxes and other operating costs, such payment being recognized as operating cost recoveries in the period when the right to payment vests.

Finance income and costs

Interest income and expenses are recognized as they accrue using the effective interest method.

Note 3 – Significant accounting policies (Cont’d)

Distributions

Distributions to unitholders are recognized as a reduction of retained earnings and as a liability in the period in which the distributions are approved by the Board of Trustees. Distributions on exchangeable securities are recognized in the consolidated statements of earnings. 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 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.

Provisions

Provisions are recognized when the REIT has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the REIT and amounts can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present value, where the time value of money is material.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Income taxes and levies

IFRIC 21 – Levies

In accordance with IFRS Interpretations Committee (“IFRIC”) 21, *Levies*, the REIT recognizes the full amount of annual property tax liabilities at the point in time when the realty tax obligation is imposed. This is the obligating event that gives rise to a liability to pay property taxes.

Canadian income taxes

The Trust is considered a mutual fund trust for income tax purposes in Canada. In Canada, mutual fund trusts are not taxed on income earned in a taxation year, to the extent that such income has been distributed to unitholders prior to the end of the taxation year. Pursuant to the REIT’s Amended and Restated Declaration of Trust, dated April 10, 2013, the trustees shall make payable to unitholders a distribution of sufficient net realized capital gains and income that the Trust shall not be liable to pay taxes under Part 1 of the Tax Act. As a result, there is generally little possibility of the Trust being taxable on ordinary income under Part 1 of the Income Tax Act. Consequently, the Trust does not recognize Canadian income taxes under IAS 12, *Income Taxes* (“IAS 12”) because it has an “in-substance” exemption. The Trust consolidates wholly owned incorporated entities that are subject to tax. The tax disclosures and expense relate to these entities.

Note 3 – Significant accounting policies (Cont'd)

Income taxes and levies (Cont'd)

Foreign taxes

The REIT's subsidiaries may be subject to income tax and to withholding tax on distribution among its subsidiaries, pursuant to applicable legislation in France, Germany, Spain, Luxembourg and the United States. The tax expenses for the year related to non-Canadian taxable subsidiaries comprises current and deferred taxes. Where applicable, the current tax charge is calculated based on the tax laws enacted or substantively enacted at the consolidated balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Where applicable, deferred tax is recognized using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

According to the rebuttable presumption exception of IAS 12, the measurement of a deferred tax liability or a deferred tax asset arising on an investment property measured at fair value should reflect the tax consequences of recovering the carrying amount entirely through sales.

Segment reporting

The REIT owns and operates a portfolio of investment properties located in France, Germany and Spain. These properties are used to derive revenues from the rental of office space leased to corporate clients in urban areas. Management has determined that this portfolio is a single operating segment.

Note 4 – Critical accounting judgments and estimates

In preparing these consolidated financial statements, management is required to make subjective estimates and assumptions that affect the reported amount of assets, liabilities, net income and related disclosures. Uncertainty about these estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are presented below:

Valuation of investment property

The fair value of investment properties is determined by real estate valuation experts using recognized valuation techniques and the principles of IFRS 13. Investment properties are measured based on estimates prepared by independent real estate valuation experts, except where such values cannot be reliably determined. The significant methods and assumptions used by valuers in estimating the fair value of investment properties are set out in Note 6.

Business combinations

The REIT performs an assessment of each acquisition of investment property to determine whether the acquisition is to be accounted for as an asset acquisition or business combination.

Accounting for business combinations under IFRS 3 only applies if it is considered that a business has been acquired. Under IFRS 3, a business is defined as an integrated set of activities and assets conducted and managed for the purpose of providing a return to investors. A business generally consists of inputs, processes applied to those inputs, and resulting outputs that are, or will be, used to generate revenues. For each transaction, the REIT may elect to apply the concentration test under IFRS 3 to determine if the fair value of gross assets acquired is substantially concentrated in a single asset (or a group of similar assets). If this concentration test is met, the acquisition is qualified as an acquisition of a group of assets and liabilities and not of a business.

If the concentration test is not met, or if the REIT elects not to apply the test, the REIT then performs the detailed assessment whether the transaction is an acquisition of a business or of assets. The purchase of investment properties is classified as a business acquisition on the basis that it involves the acquisition of leasable space (inputs), management processes to lease that space to tenants and leasing arrangements with tenants that generated rental income (processes). In the absence of such criteria, a group of assets is deemed to have been acquired. When the acquisition does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities.

Going Concern Analysis

The REIT has prepared the financial statements on the basis that it will continue to operate as a going concern. This going concern basis assumes that the REIT will continue in operation for the foreseeable future and will be able to realize its assets and settle its obligations in the normal course of business. Management's going concern assessment includes forecasting of cashflow requirements under various stress-tested scenarios in order to assess whether there exist any material risks as to the REIT's ability to operate as a going concern. In doing so, management has determined that there is a material uncertainty associated with this going concern assumption, as it requires the completion of refinancing or extension of bank loans maturing within the 12 months following the release of the financial statements.

(a) Availability of financing

The mortgage loans financing the Stuttgart (\$19,708), Neu-Isenburg (\$17,163) and Kosching (\$10,403) properties, held 50% in joint venture, were scheduled to mature on February 28, 2026. Subsequent to the year-end, the REIT obtained a six-month extension on similar terms, with no deleveraging requirements. This short-term extension provides the REIT with additional time to assess refinancing options or negotiate a potential sale. Management remains confident in its ability to secure refinancing or negotiate a further extension at the new maturity date. However, should repayment be required at maturity, any liquidity risk arising from a default would remain isolated at the entity level.

The Gaia loan (\$35,109) matures on March 27, 2027. Management is in ongoing discussions with the lender regarding the reletting strategy for the property, which has a 65% projected vacancy rate. Based on discussions held to date, management expects to secure an extension of the loan at maturity; however, the lender may require deleveraging as part of the extension process.

The Delgado loan (\$23,669) matures on March 31, 2027. Given the 100% occupancy rate, the 55% LTV based of Q4'2025 external appraisal and the advanced negotiations regarding the extension of one significant lease, management is confident in its ability to obtain an extension or refinancing. In addition, this asset could be marketed and generate significant working capital that the REIT could use to mitigate any existing liquidity risk (see Note 25 - Liquidity Risk).

The mortgage financing for Duisburg (\$25,516), a property held 50% in a joint venture, matures on March 31, 2027. The property is 100% let and management is confident in obtaining an extension of the existing loan or in refinancing it. Shareholders have already suspended distributions in order to retain cash for tenant improvements and potential debt deleveraging. However, should repayment be required at maturity, the asset could be marketed, and any liquidity risk arising from a default would remain isolated at the entity level.

(b) Risk mitigation

Ability to unlock liquidity

In addition to the above-mentioned possible disposition of Delgado and Duisburg properties, management also notes that the REIT has the ability to unlock liquidity as required through the disposal of other marketable and in-demand assets (notably Metropolitan). The sale of this asset would generate significant positive working capital that the REIT could use to mitigate any existing liquidity risk.

Sale of the Arcueil property

On December 18, 2024, the REIT signed an exchange contract for the sale of 88% of the Arcueil property for redevelopment. Over the year 2025, the REIT completed administrative milestones, progressively waiving conditions precedent, such that the final closing sale is still anticipated for end 2026. The sale would generate net cash proceeds of \$5.5 million.

Management assessment

Management expects that any remaining short-term liquidity requirements can be addressed through the active management of working capital and capital expenditure commitments. This includes the ability to defer certain tax payment deadlines, adjust capex schedules, and manage vendor payment terms. In forming this assessment, management also considered the REIT's history of successfully implementing capital management strategies.

Joint arrangements

The joint arrangements are separately incorporated. The REIT has, after considering the structure and form of the arrangement, the terms agreed by the parties in the contractual arrangement and the REIT's rights and obligations arising from the arrangement, classified its interests as joint ventures under IFRS 11, *Joint Arrangements* ("IFRS 11"). As a consequence, it accounts for its investments using the equity method. The classification of joint arrangements in accordance with IFRS 11 may require the judgment of management, particularly if there are several agreements related to the joint arrangements. Further details are disclosed in Note 7.

Current tax liabilities

Current tax liabilities relating to proposed income tax reassessments are accounted for under IFRIC 23 – Uncertainty over Income Tax Treatments. The REIT has accounted for such amounts by recording a liability equal to the amount that best represents the expected payout, using the "most likely" estimation model. The significant assumptions used by management to determine the expected payout include the likelihood that the tax authorities will accept the REIT's proposed treatment versus the likelihood that the REIT's proposed treatment will be disallowed. Further details on taxes are disclosed in Note 22.

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

Deferred tax liabilities

The deferred tax liabilities correspond to the deferred tax expense relating to the origination of temporary differences arising from the unrealized gains on investment properties located in France, Germany and Spain. Further details on taxes are disclosed in Note 22.

Deferred tax assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details on taxes are disclosed in Note 22.

Note 5 – Future changes to accounting policies

The REIT monitors the potential changes proposed by the IASB and analyzes the effect that changes in the standards may have on the REIT's operations. Standards issued but not yet effective up to the date of issuance of these consolidated financial statements are described below. This description is of the standards and interpretations issued that the REIT reasonably expects to be applicable at a future date. The REIT intends to adopt the following standard when it becomes effective:

Amendments to IFRS 7, *Financial Instruments: Disclosures* and IFRS 9, *Financial Instruments*

In May 2024, the IASB issued amendments to the Classification and Measurement of Financial Instruments to require entity to disclose qualitative description of the nature of contingent event, quantitative information about the possible changes to contractual cash flows resulting from contractual terms, and gross carrying amount of financial assets and the amortised cost of financial liabilities relating to the contract terms. The amendments allow users of financial statements to understand how the contractual terms could affect the amount of contractual cashflow based on the occurred or non-occurred contingent event.

The amendments to IFRS 7 and IFRS 9 are effective to annual reporting periods beginning on or after January 1, 2026. Earlier application is permitted. Management is currently assessing the impact of the amendments on the consolidated financial statements of the REIT.

Amendments to IFRS 10 and IAS 28, *Consolidated Financial Statements*

In December 2015, the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

The amendments clarify that a full gain or loss is recognised when the transaction involves a business (as defined in IFRS 3 *Business Combinations*), whereas a partial gain or loss is recognised when the transaction involves assets that do not constitute a business.

The effective date of the amendments is deferred until a date to be determined by the IASB. Earlier application is permitted; if an entity applies these amendments early, it shall disclose that fact. Management is currently assessing the potential impacts of these amendments on the consolidated financial statements of the REIT.

IFRS 18, *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

IFRS 18 also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. Management is currently assessing the impact of the amendments on the consolidated financial statements of the REIT.

Note 5 – Future changes to accounting policies (cont'd)

IFRS 19, *Subsidiaries without Public Accountability: Disclosures and Amendments to IFRS 19*

In May 2024 and August 2025, the IASB issued IFRS 19 and further amendments to the standards, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards.

To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 is effective for reporting periods beginning on or after January 1, 2027, with early application permitted. As the REIT's units are publicly traded, it is not eligible to elect to apply IFRS 19.

Note 6 – 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 year ended December 31, 2025	For the year ended December 31, 2024
Balance, beginning of year	327 789	412 967
Capex	1 274	768
Disposition of Baldi investment property held by Baldi SCI	(22 607)	-
Change in capitalized letting fees	136	(39)
Rent free periods	(518)	(318)
Net change in fair value of investment properties	(40 568)	(66 774)
Foreign currency translation adjustment	26 207	7 246
Asset classified as held for sale	(15 797)	(26 061)
Balance, end of year	275 916	327 789

All of the REIT's investment properties with a fair value of \$275,916 (December 31, 2024 - \$327,789) are pledged as security for an amount of \$204,297 (December 31, 2024 - \$215,236) in mortgage loans and lease liabilities.

On December 23, 2025, the REIT sold the Baldi investment property, located in Saint-Ouen, France, for a total consideration of €14,000 (\$22,607). The REIT incurred total transaction costs of €361 (\$589) including €350 (\$572) in fees paid to related parties comprising €210 (\$343) in broker fees paid to Advenis Conseil and €140 (\$229) in disposition fees paid to Inovalis SA as well as €11 (\$18) in loan breakage costs. The REIT recognized proceeds on sale of investment property of €11,244 (\$18,157) after repayment of the mortgage loan. The REIT recognized a loss on sale of investment of €279 (\$441). The loss is solely related to transaction costs paid by the REIT.

On October 10, 2025, the REIT signed a preliminary exchange contract for the sale of the Trio property located in Germany, notably subject to financing conditions, with a closing anticipated for Q1 2026 for purchase price of €9,800 (\$15,797). This asset has been classified as an asset held for sale as at December 31, 2025 (see also Note 12 – Asset Held for Sale).

Valuation of investment properties

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). Expectations about future improvements or modifications to be made to the investment property to reflect its highest and best use may be considered in the valuation.

Investment properties and properties held for sale are carried at fair value, and the REIT uses significant unobservable inputs to estimate fair value of these assets at each reporting date including capitalization rate and stabilized net operating income. See below for further description of inputs used by the REIT in estimating the fair value of its properties. Significant unobservable inputs are classified as Level 3 inputs under IFRS. See Note 25 for further details.

Quoted market prices in active markets are the best evidence of fair value and are used as the basis for fair value measurement, when available. When quoted market prices are not available, judgment is required to estimate fair value based on the best information available, including prices for similar assets and the use of other valuation techniques. These valuation techniques are consistent with the objective of measuring fair value and involve a degree of estimation depending on the availability of market-based information.

Note 6 – Investment properties (cont’d)

Valuation Processes and Techniques

The fair value of investment properties is determined by real estate valuation experts using recognized valuation techniques and the principles of IFRS 13. The technique used by the REIT is the Direct Capitalization Method (“DC”).

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 on 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.

In addition, the CEO and the CIO are responsible for the internal valuation department in charge of evaluating of the 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. For the purpose of preparing the annual consolidated financial statements, all properties have been valued by external appraisers as of December 31, 2025.

The adjusted market-value and stabilized capitalization rates by country are set out in the following table:

	As at December 31, 2025			
	France	Germany ²	Spain	Total
Fair value of investment properties for financial reporting purposes				
Market value (in KEUR) as estimated by external appraisers	135 300	21 700	26 700	183 700
Option costs	(2 725)	-	-	(2 725)
Adjusted market value in EUR	132 575	21 700	26 700	180 975
Exchange adjustment	81 122	13 278	16 338	110 738
Adjusted market value in CAD\$	213 697	34 978	43 038	291 713
Principal method used to value property ¹	DC	DC	DC	
Capitalization rate / discount rate	5.25% to 8.25%	6.30% to 8.00%	6.75%	
Terminal capitalization rate	6.60%	7.78%	6.75%	
Impact on the fair value of investment properties of :				
an increase of 25 bps on the cap rate and/or discount rate	(8 109)	(1 090)	(1 537)	(10 735)
a decrease of 25 bps on the cap rate and/or discount rate	8 804	1 162	1 655	11 621

(1) “DC” for Direct Capitalization Method

(2) Including the fair market value for the Trio property of €9,800 (\$15,797) that is presented as an asset held for sale.

Note 6 – Investment properties (cont'd)

	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)
Adjusted market value in EUR	173 311	37 700	26 600	237 611
Exchange adjustment	84 784	18 443	13 013	116 240
Adjusted market value in CAD\$	258 094	56 143	39 613	353 850
Principal method used to value property ¹	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%	
Impact on the fair value of investment properties of :				
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 \$168,725 (December 31, 2024 – \$163,083) under leases which begin to expire in approximately 2 years (December 31, 2024: 3 years).

Note 7 – 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 ³	Isenburg	Kosching	Total
Balance - December 31, 2023	14 514	11 706	-	7 684	7 728	41 632
Additional investment for the year	-	149	561	477	-	1 187
Share of net (loss) income from investments ¹	(2 167)	148	2 135	(2 930)	(367)	(3 181)
Impairment of loans to joint ventures ²	-	-	(2 729)	-	-	(2 729)
Loan repayments received from joint ventures	-	-	-	-	(626)	(626)
Exchange differences	255	214	33	123	139	764
Balance - December 31, 2024	12 602	12 217	-	5 354	6 874	37 047
Additional investment for the year	-	-	-	529	-	529
Share of net income (loss) from investments ¹	(853)	(2 064)	2 515	321	(1 419)	(1 500)
Impairment of loans to joint ventures ²	-	(806)	(2 692)	-	-	(3 498)
Loan repayments received from joint ventures	-	(529)	-	-	-	(529)
Exchange differences	1 019	958	177	436	535	3 125
Balance - December 31, 2025	12 768	9 776	-	6 640	5 990	35 174

- (1) The share of net (loss) income from investments includes the interest expense in relation to the loans granted to the joint ventures. The interests earned by the REIT in relation to these loans amount to \$3,038 (2024 - \$2,827) and are included in "Finance income from joint venture loans" (see note 21).
- (2) The REIT recorded an impairment charge to reduce the loan advanced to Delizy to its recoverable amount.
- (3) The REIT has only recognized a portion of its share of net loss from Delizy joint venture to bring its investment to nil. The REIT has not recognized a liability for any additional losses as it has no legal or constructive obligation to provide any additional funding to the Delizy joint venture as at December 31, 2025.

The balance of investments in joint ventures as at December 31, 2025 includes loans to joint ventures for an amount of \$21,682 which is detailed as follows:

Loans to joint ventures	Duisburg	Stuttgart	Delizy ¹	Isenburg	Kosching	Total
Gross Balance - December 31, 2025	12,014	10,009	12,777	1,246	(764)	35,282
Less: Cumulative ECL	-	(823)	(12,777)	-	-	(13,600)
Net Balance - December 31, 2025	12,014	9,186	-	1,246	(764)	21,682
Gross Balance - December 31, 2024	11,100	9,746	11,805	652	(705)	32,598
Less: Cumulative ECL	-	-	(9,430)	-	-	(9,430)
Net Balance - December 31, 2024	11,100	9,746	2,375	652	(705)	23,168

- (1) Net balance for the REIT's loan to Delizy as at December 31, 2025 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.

2025

Additional investment to joint venture

During the year-ended December 31, 2025, additional loans to joint ventures of €328 (\$529) occurred for Isenburg.

Repayment on loans to joint venture

During the year-ended December 31, 2025, loan repayment of €328 (\$529) occurred for Stuttgart.

Note 7 – Investments in joint ventures (Cont'd)

2024

Stuttgart

On October 31, 2024, the REIT successfully extended the \$37,040 (€24,600) mortgage loan of the Stuttgart property, with the lender DZHYP to February 2026.

Under the extension, the loan will bear interest at 1.62% margin on top of the EURIBOR 3-month floating rate, will require quarterly cash reserve payments for an annual amount of \$1,084 (\$720) and will prevent distribution to shareholders until full repayment of the loan. This extension allows Management to plan for the exit strategy.

Isenburg

On February 15, 2024, the REIT successfully refinanced the HCOB €22,800 (\$33,342) mortgage loan of the Neu Isenburg property, held within the Isenburg JV, with a new lender, DZHYP for €21,400 (\$31,295) to February 2025. Then, on October 31, 2024, an amendment was signed to extend the loan for an additional year to February 2026.

Under the extension to February 2026, the loan will bear interest at 1.62% margin on top of the EURIBOR 3-month floating rate and will prevent distribution to shareholders until full repayment of the loan. This refinancing allows Management to work on the reletting of the 20% vacant areas, and to plan for the exit strategy.

Kosching

On January 31, 2024, the REIT successfully extended the DZHYP €14,000 (\$20,473) mortgage loan for the Kosching property, held within the Kosching JV to January 2025. Then, on October 31, 2024, an amendment was signed to extend the loan with DZHYP to February 2026.

Under the extension to February 2026, the loan will bear interest at 1.62% margin on top of the EURIBOR 3-month floating rate, will require quarterly cash reserve payments for an annual amount of €520 (\$783) and will prevent distribution to shareholders until full repayment of the loan. This one-year extension allows Management to plan for the exit strategy.

Additional loans from joint venture

During the year-ended December 31, 2024, additional loans from joint ventures of €420 (\$626) occurred for Kosching.

Additional loans to joint venture

During the year-ended December 31, 2024, additional loans to joint ventures of €320 (\$477) occurred for Isenburg and €100 (\$149) for Stuttgart.

The REIT also increased its loan to Delizy during the year-ended December 31, 2024, by €377 (\$561) which 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.

Impairment on loans to joint ventures

Delizy

In December of 2025, the REIT obtained an updated appraisal of the value of the building held by Delizy. The appraisal reflected a further decline in the fair value from prior periods, such that the REIT's loan to Delizy continues to be not recoverable in its entirety if the building were to be realized at the appraised value. Based on the continued decline in fair value, together with the interest deferrals and other factors considered, the loan to Delizy has been determined to continue to be Stage 3 credit impaired as at December 31, 2025. As a result, an expected credit loss has been recorded based on the expected cash shortfall which was determined based on the fair value of the property, anticipated disposal costs and other assets and liabilities of the joint venture.

Note 7 – Investments in joint ventures (Cont'd)

Summarized financial information for joint ventures

The tables below provide the summarized financial information for joint ventures. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures. They have been amended to reflect adjustments made by the REIT when using the equity method, including modifications for differences in accounting policies between local GAAP applicable to the relevant joint ventures and IFRS.

Summarised balance sheet	Duisburg		Stuttgart		Delizy		Isenburg		Kosching		Total	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Current assets												
Cash and cash equivalents	1 568	999	1 629	569	1 009	345	227	401	314	333	4 747	2 647
Other current assets	469	602	1 239	599	1 844	2 093	268	146	642	377	4 462	3 817
Total current assets	2 037	1 601	2 868	1 168	2 853	2 438	495	547	956	710	9 209	6 464
Non-current assets	83 704	80 915	64 095	63 274	23 502	28 004	45 081	39 614	33 024	34 204	249 406	246 011
Current liabilities												
Financial liabilities	25 095	24 109	62 491	21 364	11 671	8 341	37 078	1 935	20 806	155	157 141	55 904
Other current liabilities	1 663	1 578	1 934	136	2 123	1 617	955	516	236	283	6 911	4 130
Total current liabilities	26 758	25 687	64 425	21 500	13 794	9 958	38 033	2 451	21 042	438	164 052	60 034
Non-current liabilities												
Financial liabilities	53 032	48 977	17	36 222	45 282	42 198	0	31 590	0	19 242	98 331	178 229
Other non-current liabilities	4 441	4 848	4 166	4 346	-	-	1 794	1 416	1 267	1 772	11 668	12 382
Total non-current liabilities	57 473	53 825	4 183	40 568	45 282	42 198	1 794	33 006	1 267	21 014	109 999	190 611
Net assets	1 510	3 004	(1 645)	2 374	(32 721)	(21 714)	5 749	4 704	11 671	13 462	(15 436)	1 830
REIT's share in %	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%		
REIT's share in CAD	755	1 502	(823)	1 187	(16 361)	(10 857)	2 875	2 352	5 836	6 731	(7 718)	915
Goodwill ¹	-	-	1 390	1 284	-	-	1 696	1 567	-	-	3 086	2 851
Acquisition costs	-	-	-	-	-	-	847	783	918	848	1 765	1 631
Loans to Joint Ventures	12 014	11 100	10 009	9 746	12 777	11 805	1 246	652	(764)	(705)	35 282	32 598
Unrecognized share of operational losses ²	-	-	23	-	16 361	8 482	(24)	-	-	-	16 360	8 482
Impairment charge net of foreign exchange impact	(1)	-	(823)	-	(12 777)	(9 430)	-	-	-	-	(13 602)	(9 430)
Carrying amount	12 768	12 602	9 776	12 217	-	-	6 640	5 354	5 990	6 874	35 174	37 047

(1) The goodwill is the difference between the amount paid for the joint venture at the acquisition date and the proportionate share of the REIT in assets and liabilities of the joint venture at fair value at the acquisition date.

(2) The REIT has only recognized the portion of its share of net loss from the Delizy joint venture required to bring its investment to nil.

Summarized financial information for joint ventures (Cont'd)

Summarised statement of comprehensive income	Duisburg		Stuttgart		Delizy ¹		Isenburg		Kosching		Total	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Net rental earnings	5 250	5 838	4 700	4 832	1 209	1 166	3 316	2 603	2 764	2 716	17 239	17 155
Administration expenses	(662)	(615)	(699)	(681)	(539)	(641)	(727)	(716)	(479)	(448)	(3 106)	(3 101)
Net change in fair value of investment properties	(3 566)	(6 283)	(5 772)	(814)	(6 552)	(4 226)	(356)	(6 560)	(4 818)	(2 371)	(21 064)	(20 254)
Loss on financial instruments at FVTPL	-	-	-	-	(7)	(8)	-	-	-	-	(7)	(8)
Finance income	-	-	-	-	-	-	-	-	120	107	120	107
Finance costs	(3 659)	(3 435)	(3 072)	(3 172)	(3 138)	(3 085)	(1 505)	(2 179)	(900)	(897)	(12 274)	(12 768)
Loss on disposal of an int. in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Current income tax (expense) recovery	(8)	(2)	(8)	(8)	-	-	(63)	(13)	(164)	(113)	(243)	(136)
Deferred income tax recovery (expense)	939	165	723	140	-	-	(22)	1 006	639	271	2 279	1 582
(Loss) profit for the year	(1 706)	(4 332)	(4 128)	297	(9 027)	(6 794)	643	(5 859)	(2 838)	(735)	(17 056)	(17 423)
REIT's share in %	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%		
Unrecognized share of operational losses	-	-	-	-	7 028	5 532	-	-	-	-	7 028	5 532
Share of net (loss) earnings from investments	(853)	(2 166)	(2 064)	148	2 515	2 135	321	(2 930)	(1 419)	(368)	(1 500)	(3 181)

(1) Only a portion of the REIT's share of the net loss from the Delizy joint venture has been recognized. No additional losses have been recorded beyond those required to reduce the REIT's net investment in Delizy to nil, as the REIT has neither a legal nor a constructive obligation to provide further financial support to the Delizy joint venture as at December 31, 2025.

Note 7 – Investments in joint ventures (Cont'd)

The consolidated share of net loss from joint ventures, totaling \$4,998 includes \$1,500 of share of net loss from investments and \$3,498 of impairment of loans to joint ventures. The impairment loss is presented within “Impairment loss of financial assets” in the consolidated statement of earnings.

The adjusted market-value and capitalization rates by country for investment properties owned by the REIT through joint ventures are set out in the following table:

	As at December 31, 2025			As at December 31, 2024		
	France	Germany	Total	France	Germany	Total
Fair value of investment properties owned in joint ventures for financial reporting purposes						
Market value (in Euros) as estimated by external appraisers	15 099	133 400	148 499	19 300	140 000	159 300
Option costs	(519)	-	(519)	(495)	-	(495)
Adjusted market value in Euros	14 580	133 400	147 981	18 805	140 000	158 805
Exchange adjustment	8 922	81 628	90 549	9 199	68 488	77 687
Adjusted market value in CAD\$ - 100%	23 502	215 028	238 530	28 004	208 488	236 492
Adjusted market value in CAD\$ - REIT's portion	11 751	107 514	119 265	14 002	104 244	118 246
Principal method used to value property	Direct Capitalization Method	Direct Capitalization Method		Direct Capitalization Method	Direct Capitalization Method	
Capitalization rate	8.25%	7.20% to 6.30%		7.30%	6.10% to 6.60%	
Terminal capitalization rate	8.25%	6.73%		7.50%	6.42%	
Impact on the fair value of investment properties of:						
an increase of 25 bps on the cap rate and/or discount rates	(691)	(7 719)	(8 410)	(452)	(3 910)	(4 362)
a decrease of 25 bps on the cap rate and/or discount rates	734	8 318	9 052	483	4 228	4 711

(1) “DC” for Direct Capitalization Method

Note 8 – Derivative financial instruments

As at December 31, 2025, the REIT has disposed of or settled all of its derivative financial instruments. The Baldi interest cap contract matured on December 31, 2024, and all other foreign exchange contracts were cancelled in December 2024.

2024

During the year ended December 31, 2024, the REIT negotiated cancellations of six of its monthly foreign exchange forward contracts with Banque Palatine, relating to distributions for the months of April to September 2024. This cancellation resulted in a gain for the REIT of €300 (\$455).

In addition, the REIT negotiated cancellations of its six-monthly foreign exchange forward contracts with Alpha, relating to distributions for the months of December 2024 to March 2025. This second cancellation resulted in a loss for the REIT of €435 (\$650). Of this amount, €239 (\$356) is only payable by the REIT in March 2025 and is therefore presented in trade payable as at December 31, 2024.

Each of these monthly contract cancellations represented a notional amount of CAD \$1,400. The cancellations resulted in a net realized loss to the REIT of €135 (\$195) which has been recognized in other finance income (see Note 21).

Note 9 – Trade receivables and other financial assets

	Note	As at December 31, 2025	As at December 31, 2024
Trade receivables		4 205	3 560
Provision for impairment of trade receivables		(2 618)	(868)
Trade receivables		1 587	2 692
Other receivables		1 904	676
Other receivables - Inovalis SA	27	568	521
Interest receivable - Joint ventures - current	27	3 916	5 639
Other current financial assets		6 388	6 836
Total trade receivables and other financial assets		7 975	9 528

The increase in the provision for impairment of receivables mainly relates to three tenants at the Gaia property (\$2,448) recognized under "Other property operating expenses" and for which eviction and rent arrears collection procedures are ongoing.

The balance of 'Interest receivable – Joint ventures – current' is presented net of an impairment loss related to SCI Delizy.

Note 10 – Other current assets

	As at December 31, 2025	As at December 31, 2024
VAT and other sales tax receivables	1 769	1 729
Prepaid expenses	175	144
Other current assets	1 944	1 873

Note 11 – Cash, cash equivalents and restricted cash

Cash and cash equivalents

	As at December 31, 2025	As at December 31, 2024
Cash on hand	25 057	6 249
Cash and cash equivalents	25 057	6 249

Restricted cash

		As at December 31, 2025	As at December 31, 2024
Capex reserve	Trio property	-	1 167
Mortgage loan reserve	Walpur property	202	-
Bank loan reserve	Delgado property	403	372
Others		79	72
Non current		684	1 611
Capex reserve	Trio property	51	370
Bank loan reserve	Gaia property	322	-
Bank loan reserve	Sablère property	-	1 281
Current		373	1 651
Restricted cash		1 057	3 262

A bank loan reserve of €860 (\$1,281) related to the Sablière property is included in restricted cash as at December 31, 2024, corresponding to the DSCR covenant reserve.

Note 12 – Asset held for sale

		As at December 31, 2025	As at December 31, 2024
Investment property	Sablère property	-	26 061
Investment property	Trio property	15 797	-
Total assets held for sale		15 797	26 061

On April 30, 2025, the REIT closed the disposition of the Sablière 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 (\$1,277), which include €182 (\$286) in advisory fees paid to Inovalis SA, a related party to the REIT and €228 (\$359) in broker fees paid to Advenis Conseil, a subsidiary of Inovalis SA. The REIT recognized a loss on sale of investment property of €167 (\$263). The loss is solely related to transaction costs paid by the REIT.

On October 10, 2025, the REIT signed a preliminary exchange contract (“SPA”) for the sale of the Trio property located in Germany, notably subject to financing conditions, with a closing anticipated for Q1 2026 for purchase price of €9,800 (\$15,797). As a result, a fair value loss of €8,300 (\$13,100) was recognized during the fourth quarter as this represented the most reliable estimate of fair value as at December 31, 2025.

Subsequent to the year-end, on January 30, 2026, the REIT completed the sale of Trio. Concurrently with the closing of the sale, the senior lender agreed to partially forgive the outstanding mortgage, in the amount of €10,600 (\$17,086). This debt forgiveness was not reflected in the REIT’s financial statements as at December 31, 2025, as the agreement was executed after the reporting date. The REIT expects to recognize a gain on loan forgiveness of the above-mentioned amount in its interim consolidated financial statements for the quarter ending March 31, 2026.

Note 13 – Mortgage loans and lease liabilities

Mortgage loans and lease liabilities consist of the following:

As at December 31, 2025					
Entity	Interest rate	Maturity	Total	Non-current	Current
Mortgage loan - Cancorp Trio	Euribor 3M + 2.50%	16/06/2026	32 461	-	32 461
Mortgage loan - Walpur Four	12%	12/11/2026	9 377	-	9 377
Mortgage loan - Gaia Nanterre SCI	1.91%	27/03/2027	35 109	35 109	-
Mortgage loan - Cancorp Vegacinco	1.99%	31/03/2027	23 669	22 884	785
Mortgage loans			100 616	57 993	42 623
Lease liabilities - Arcueil SCI	Euribor 3M + 2.20%	08/07/2027	49 608	39 322	10 286
Lease liabilities - Metropolitan SCI	Euribor 3M + 1.84%	18/03/2031	54 073	51 360	2 713
Lease liabilities			103 681	90 682	12 999
Total mortgage loans and lease liabilities			204 297	148 675	55 622

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	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
Mortgage loans			114 449	53 961	60 488
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
Lease liabilities			100 787	95 752	5 035
Total mortgage loans and lease liabilities			215 236	149 713	65 523

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

	As at December 31, 2025		As at December 31, 2024	
	Carrying value	Minimum payments	Carrying value	Minimum payments
Within 1 year	42 623	43 310	60 488	50 817
After 1 year, but not more than 5 years	57 993	58 507	53 961	66 683
More than 5 years	-	-	-	-
	100 616	101 817	114 449	117 500
Less : future interest costs	-	(1 201)	-	(3 051)
Total mortgage loans	100 616	100 616	114 449	114 449

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

Note 13 – Mortgage loans and lease liabilities (cont'd)

	As at December 31, 2025		As at December 31, 2024	
	Carrying value	Minimum lease payments	Carrying value	Minimum lease payments
Within 1 year	12 999	15 931	5 035	8 794
After 1 year, but not more than 5 years	50 607	58 986	56 036	67 235
More than 5 years	40 075	40 298	39 716	41 993
	103 681	115 215	100 787	118 022
Less : future interest costs	-	(11 534)	-	(17 235)
Total lease liabilities	103 681	103 681	100 787	100 787

2025

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 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).

On November 27, 2025 and following the signature of the preliminary sale agreement, a mortgage loan extension was signed with the financing bank to allow for the sale completion, with maturity on January 31, 2026 and a 2-week extension option. A €3,000 (\$4,835) amortization was applied on the loan to bring the outstanding mortgage loan to its current amount of €20,140 (\$32,461) as at December 31, 2025.

Subsequent to the year end, upon disposition of the Trio property on January 30, 2025, the mortgage loan was fully terminated and all securities released by the bank, including a €10,600 (\$17,086) bank loan waiver.

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 is to refinance this mezzanine loan with conventional financing, depending on progress on the reletting strategy.

Note 13 – Mortgage loans and lease liabilities (cont'd)

2025 (cont'd)

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 31st 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, December 31, 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 (\$35,109) remains presented as a non-current liability as at December 31, 2025.

In compliance of the term of the cash trap, a cash reserve allocation from the available liquidity in the property was deposited in April 2025 for €200 (\$322) and is presented on the “Restricted cash” line (see Note 11).

Interest-bearing loan

The interest-bearing loan of \$231 (€143) as at December 31, 2025 (2024: \$189) is repayable to Inovalis Luxembourg which is a subsidiary of Inovalis SA. This loan has a 3.5-year term and bears a market practice interest at a fixed rate of 6.5%.

2024

Trio – Loan extension

On June 12, 2024, the mortgage loan within Trio was extended to March 15, 2025. As the mortgage loan remains due within the next 12 months, the total carrying amount of the loan remains as a current liability. During the twelve-month period ending on December 31, 2024, the REIT recognized a modification loss of \$166 in other finance expenses on extension, in addition to \$361 in additional penalty interest that was due to the lender. The loan extension was accounted for as an extinguishment and issuance of a new loan, with a gain/loss on extinguishment equal to the transaction costs incurred on the extension.

As at the date of issuance of the Financial Statements, the REIT is in discussions with the senior lender regarding options to extend the current mortgage loan or plan the sale of the Trio property. Subsequent to the year-end, on March 15, 2025, a 6-month extension was granted by the lender, as part of the amended and restated facility agreement, following the amortization of \$5.5 million, and the REIT’s commitment to sale the property.

Note 13 – Mortgage loans and lease liabilities (cont'd)

2024 (cont'd)

Loan Covenants

Baldi SCI

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 30th, 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 30th, 2024, 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. As there is currently no waiver in place as at December 31, 2024, the total carrying amount of the loan remains classified as a current liability due to the lender’s right to repayment.

Sabliere SCI

The mortgage loan within the SCI Sabliere entity is subject to two loan covenants, requiring the debt service coverage ratio (“DSCR”) to be over 120% and the loan to value (“LTV”) ratio to be less than 65%. These covenants are tested annually for compliance on December 31st, 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, December 31, 2024, the REIT is in breach of its DSCR covenant as a result of planned tenant vacancies within this entity as a condition for the future sale. Due to this breach in covenant and due to the classification of the related Sabliere property as an asset held-for-sale, the total carrying amount of the loan has been presented as a current liability as at December 31, 2024.

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 annually for compliance on December 31st, at which date if either of the covenants are not met, a cash trap situation is triggered where the distributions are blocked, and payments are only related to mortgage loan repayment, operating expenses and administrative expenses. As at the most recent reference date, December 31, 2024, the REIT is in breach of its ICR covenant. The total carrying amount of the loan has been presented as a non-current liability as at December 31, 2024.

Cancorp Trio 1, 2, 3

The mortgage loans within the Cancorp Trio 1, 2 & 3 entities are subject to a loan covenant, requiring the LTV ratio to be over 75%. This covenant is tested annually for compliance on December 31st, at which date if it is not met the mortgage loan becomes payable on demand. As at December 31, 2024, based on the fair market value of the property, the REIT is in breach of this covenant. Given the breach in covenant and given the maturity of the Trio mortgage loan on March 15, 2025, the total carrying amount of the loan has been presented as a current liability as at December 31, 2024.

Note 14 – Exchangeable securities

Exchangeable securities issued and outstanding	Exchangeable securities	
	Number of Exchangeable securities	Carrying amount of Exchangeable securities
Balance - December 31, 2023	938 036	1 595
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
Balance - December 31, 2024	392 892	385
Net change in fair value of exchangeable securities	-	31
Balance - December 31, 2025	392 892	416

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 the years ended December 31, 2025

	Note	For the year ended December 31, 2025	For the year ended December 31, 2024
Amount payable at the beginning of the period		-	237
Declared and recognized in earnings during the period		17	-
Distribution on exchangeable securities paid in cash		-	(237)
Amount payable at the end of the period		17	-

Note 15 – Trade and other payables

	Note	As at December 31, 2025	As at December 31, 2024
Trade payables		4 028	6 321
Trade payables		4 028	6 321
Other payables		1 676	1 092
Distributions payable	23	1 525	-
Distributions payable - Inovalis SA	14	17	-
VAT payable		1 289	1 255
Other payables		4 507	2 347
Total trade and other payables		8 535	8 668

Note 16 – Provisions

As at December 31, 2025, provisions include €172 (\$278) related to the Arcueil property. As at December 31, 2024, provisions include €165 (\$243) related to the same property.

Note 17 – Trust units

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 14 – Exchangeable Securities) for the purpose of providing voting rights with respect to the REIT to the holders of such securities. As of December 31, 2025, there were 392,892 Special Voting Units issued and outstanding (December 31, 2024 – 392,892).

Distribution and Consolidation of Units

On December 31, 2025, the REIT paid out a special distribution in Units which resulted in the issuance of 4,849,575 Units. Immediately following the special distribution, the outstanding Units of the REIT were consolidated such that the additional units issued were consolidated with the existing outstanding units. This resulted in each Unitholder holding the same number of Units after the consolidation as prior to the special distribution. Also see Note 23.

Rights Plan

On March 29, 2023, the Board of Trustees adopted a Unitholders' rights plan (the "Rights Plan"), subject to Unitholders ratification. The Rights Plan protects the REIT's Unitholders from unfair, abusive or coercive take-over strategies and to ensure that all Unitholders have an equal opportunity to participate in any future take-over bid, and to receive full and fair value for their units ("Units"). The Rights Plan took effect immediately and was ratified at the May 9, 2023, Annual General Meeting of Unitholders.

On May 13, 2025, Unitholders approved the adoption of the Second Amended and Restated Unitholders' Rights Plan. The plan is intended to protect the REIT's Unitholders from unfair, abusive or coercive take-over strategies, to ensure that all Unitholders have an equal opportunity to participate in any future take-over bid, and to receive full and fair value for their units ("Units"). The plan took effect immediately and remains in effect until the next annual meeting of Unitholders.

On March 25, 2026, the Board of Trustees approved the Third Amended and Restated Unitholders' Rights Plan, subject to ratification by Unitholders at the annual general meeting scheduled for May 9, 2026. No substantive changes were made to the terms of the plan other than extending its term for an additional year.

The rights become exercisable only when a person (including a related party and joint action of such person) acquires or announces its intention to acquire twenty (20%) or more of the outstanding Units without complying with the "permitted bid" provisions of the Rights Plan. Should a non-permitted acquisition occur, each right would entitle the holder of Units (other than the acquiring person and related persons and joint actors of such acquiring person) to purchase additional Units at a fifty (50%) percent discount to the market price at the time.

The Rights Plan permits a "permitted bid", which is a take-over bid made to all Unitholders on identical terms and conditions that is open for acceptance for a period of at least 105 days. If at the end of the 105-day period at least 50% of the outstanding units (other than those owned by the offeror and related parties and joint actors of the offeror) have been tendered under the bid, the offeror may take up and pay for the tendered units but must extend the bid for a further 10 days to allow all Unitholders to tender to the bid. The Rights Plan is similar to other security holder rights plans adopted by other Canadian real estate investment trusts, income trusts and corporations.

Note 17 – Trust units (cont'd)

Transactions relating to trust units

2025

During the year ended December 31, 2025, the REIT issued 96,127 units as a result of the payments of Trustee Fees for \$78 at a weighted average price of \$0.81.

2024

During the year ended December 31, 2024, the REIT issued 66,325 units as a result of the payments of Trustee Fees for \$124 at a weighted average price of \$1.87.

During the year ended December 31, 2024, the REIT converted 545,144 Exchangeable Securities in the amount \$503 into 545,144 units of the REIT (Note 14 - Exchangeable Securities).

Note 18 – Non-controlling interests

Set out below is summarized financial information for each subsidiary that has non-controlling interests that are material to the REIT. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet	Cancorp Trio 1		Cancorp Trio 2		Cancorp Trio 3		SCI Metropolitan		SCI Lenine Arcueil		Total	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Current assets												
Cash and cash equivalents	1 007	3 307	31	2	32	9	837	905	2 312	230	4 219	4 453
Other current assets	1 006	834	(69)	1	6	65	1 513	1 856	603	442	3 059	3 198
Total current assets	2 013	4 141	(38)	3	38	74	2 350	2 761	2 915	672	7 278	7 651
Non-current assets	3 241	13 352	(325)	9 920	(1 029)	11 490	97 762	92 317	74 845	71 485	174 494	198 564
Current liabilities												
Financial liabilities	12 555	16 465	8 783	11 515	11 149	14 615	2 713	3 708	10 286	1 327	45 486	47 630
Other current liabilities	166	139	396	634	461	413	923	987	1 847	1 598	3 793	3 771
Total current liabilities	12 721	16 604	9 179	12 149	11 610	15 028	3 636	4 695	12 133	2 925	49 279	51 401
Non-current liabilities												
Financial liabilities	31	28	85	79	89	82	52 187	50 753	39 322	45 832	91 714	96 774
Total non-current liabilities	31	28	85	79	89	82	52 187	50 753	39 322	45 832	91 714	96 774
Equity	(7 498)	861	(9 627)	(2 305)	(12 690)	(3 546)	44 289	39 630	26 305	23 400	40 779	58 040
Equity attributable to non-controlling interest	(424)	5	(520)	(144)	(684)	(215)	444	398	26	23	(1 158)	67

Summarised statement of comprehensive income	Cancorp Trio 1		Cancorp Trio 2		Cancorp Trio 3		SCI Metropolitan		SCI Lenine Arcueil		Total	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
Net rental earnings	2 377	1 898	454	1 171	716	1 143	4 649	5 099	(2 091)	(1 837)	6 105	7 474
Administration expenses	(120)	(116)	(89)	(91)	(62)	(66)	(235)	(166)	(144)	(160)	(650)	(599)
Net change in fair value of investment properties	(9 460)	(6 520)	(6 612)	(4 706)	(8 417)	(5 820)	(958)	(5 256)	3 927	(32 120)	(21 520)	(54 422)
Net change in fair value of financial derivative	-	-	-	-	-	-	-	22	-	-	-	22
Finance income	-	-	-	-	-	-	-	-	-	-	-	-
Finance costs	(1 022)	(1 198)	(736)	(782)	(902)	(971)	(4 376)	(4 370)	(736)	3 158	(7 772)	(4 163)
Current income tax expense	(29)	(14)	(3)	(2)	(3)	(2)	-	-	-	-	(35)	(18)
Profit (loss) for the year	(8 254)	(5 950)	(6 986)	(4 410)	(8 668)	(5 716)	(920)	(4 671)	956	(30 959)	(23 872)	(51 706)
Profit (loss) allocated to non-controlling interest	(421)	(303)	(356)	(225)	(442)	(292)	(9)	(47)	1	(31)	(1 227)	(898)

Note 19 – Revenue from investment properties

Revenue from investment properties consists of the following:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Regular rents	17 681	18 880
Rent free periods (lease incentives)	(377)	(241)
Rental income	17 304	18 639
Property operating cost recoveries	4 560	5 103
Total revenue	21 864	23 742

Other revenues of \$579 in 2025 include an amount of €290 (\$548 related to an indemnity received by the REIT from a tenant in the Trio property for not leaving premises in their original conditions. In 2024, for the same reason, a €140 (\$207) indemnity was obtained from a tenant in the Bad Homburg property.

In both 2025 and 2024, one tenant accounted for more than 10% of rental income: Lorenz Bahlsten in the Trio property (15% in 2025 and 13% in 2024).

On December 31, 2025, the future minimum lease receivable under non-cancellable operating leases were as follows:

	2025	2024
Within 1 year	13 031	15 600
After 1 year, but not more than 5 years	24 995	28 630
More than 5 years	1 025	1 128
Future minimum lease receivable under non-cancellable operating leases	39 050	45 358

For the year ended December 31, the property operating cost recoveries were as follows:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Taxes	1 524	1 569
Insurance	155	145
Property management fees	622	463
Utilities and other cost recoveries	2 259	2 926
Property operating cost recoveries	4 560	5 103

Note 20 – Expenses

For the year ended December 31, property operating costs consist of the following:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Property tax expenses	(3 993)	(3 853)
Insurance expenses	(415)	(296)
Property management fees	(814)	(667)
Utilities and other costs	(4 627)	(5 337)
Total property operating costs	(9 849)	(10 153)

The increase of the provision for impairment of receivables mainly concerned three tenants at the Gaia property (\$2,448), recognized under "Other property operating expenses" and for which eviction and rent arrears collection procedures are ongoing.

For the year ended December 31, general and administrative expenses consist of the following:

	For the year ended December 31, 2025	For the year ended December 31, 2024
Asset management fees	(1 777)	(1 931)
Less : amount invoiced to joint ventures	1 255	1 178
	(522)	(753)
Professional fees for accounting, tax and audit	(2 261)	(2 194)
Legal expenses	(541)	(739)
Trustee fees	(346)	(314)
Travel expenses	(488)	(319)
Governance expenses	(280)	(321)
Bank and depositary fees	(248)	(277)
Listing, transfer agent and publication fees	(49)	(148)
Other general and administrative expenses	(708)	(925)
Total general and administrative expenses	(5 442)	(5 990)

As at December 31, 2025, the \$708 "Other general and administrative expenses" included \$162 fees for external valuation of properties, \$124 for rent and liability insurance at the Canadian level and \$154 of non-recoverable VAT.

As at December 31, 2024, the \$925 "Other general and administrative expenses" included \$103 related to fees for external valuation of properties, \$189 for external financial advisory and \$218 non-recoverable VAT.

Note 21 – Finance costs and finance income

	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest costs related to mortgage loans	(4 415)	(4 407)
Interest costs related to lease liabilities	(3 453)	(5 031)
Interest SWAP and CAP	-	436
Other finance costs	(380)	(931)
Amortization of transaction costs on mortgage loans	(121)	(403)
Finance costs	(8 369)	(10 336)
Finance income from joint venture loans	3 038	2 827
Other finance income	32	455
Finance income	3 070	3 282

Note 22 – Income taxes

A reconciliation between the expected income taxes based upon statutory rates and the income tax expense recognized during the years ended December 31, is as follows:

Income tax expense	2025	2024
Deferred income tax recovery applicable to corporate subsidiaries		4 228
Deferred tax expense related to unrecognized tax benefit		(2 878)
Current tax expense and reassessments	(7 034)	(34)
Current tax expenses	(98)	(54)
Other	(34)	(55)
Income tax recovery (expense)	(7 166)	1 207

The sources of deferred tax balances and movements are as follows:

Deferred tax liability	December 31, 2024	Net Income	Recognized in OCI	December 31, 2025
Deferred tax liabilities related to difference in tax and book basis related to real estate, net	-	-	-	-
	-	-	-	-
Deferred tax liability	December 31, 2023	Net Income	Recognized in OCI	December 31, 2024
Deferred tax liabilities related to difference in tax and book basis related to real estate, net	1 295	(1 313)	18	-
	1 295	(1 313)	18	-

As of December 31, 2025, the REIT has unused tax losses of €15,357 (\$24,754) (December 31, 2024 - €11,611 (\$17,290)) within its German subsidiaries for which a deferred tax asset has not been recognized. A deferred tax asset has not been recognized in respect of such losses as they may not be used to offset taxable profits elsewhere in the REIT, they have arisen in a loss-making subsidiary, and there are no other tax planning opportunities or other convincing evidence of recoverability in the near future. These losses can be carried forward indefinitely by the REIT.

Note 22 – Income taxes (cont’d)

As at December 31, 2025, the REIT has deductible temporary differences of €19,964 (\$32,180) (December 31, 2024 - €16,913 (\$25,186) for which a deferred tax asset has not been recognized. The deductible temporary differences relate to properties for which the tax basis exceeds the accounting basis.

The income tax payable balance of \$9,550 (December 31, 2024 - \$2,238) include tax reassessments related to the Arcueil property for the 2017 to 2019 taxation years, during which the REIT held a 25% interest in the property through a joint venture following the ruling issued by Paris Administrative Court in December 2025. The Court has confirmed a tax liability of approximately €5.888 million (\$9.294 million), including principal, penalties, and interest.

The REIT has filed an appeal claiming to recover €4.116 million (\$6.635 million) related to withholding taxes upon submission of documentation supporting the tax residency of CanCorpEurope Luxembourg (the REIT’s subsidiary) and the joint venture partner’s status as a regulated entity in Korea. There can be no assurance as to the outcome of the appeal process.

Note 23 – Distributions

	For the year ended December 31, 2025	For the year ended December 31, 2024
Amount payable at the beginning of the period	-	-
Declared and recognised during the period	6 100	7 471
Paid in additional units of the REIT	(4 575)	(7 471)
Paid in cash	-	-
Amount payable at the end of the period	1 525	-

On December 31, 2025, the REIT announced a special cash distribution to unitholders of \$0.04579 per Unit payable on December 31, 2025 for a total amount of \$1,525. The REIT also announced that it has declared a special non-cash distribution of \$0.13738 per Unit payable to Unitholders of record as at December 31, 2025 by issuance of 4,849,575 units for a total amount of \$4,575. The non-cash distribution served to distribute the taxable income realized by the REIT from transactions completed during the year-ended December 31, 2025. Immediately following the special distribution, the outstanding units of the REIT that were issued were consolidated, such that the total units outstanding after the consolidation was equal to the number outstanding prior to the special non-cash distribution.

The REIT has suspended regular monthly cash distributions to unitholders, beginning with the REIT’s December 2023 distribution, which was to be paid to Unitholders in January 2024. The retained cash flow available as a result of the reduction in monthly distribution has been used by the REIT to fund redevelopment projects.

The REIT’s Declaration of Trust endeavors to maintain monthly distribution payments to unitholders payable on or about the 15th day of the following month. In addition, on December 31 of each year, having regard to the present intention of the trustees, the REIT intends to make payable to such unitholders, a distribution of sufficient net realized capital gains and net income for the taxation year ended on that date, net of any capital losses or non-capital losses recognized on or before the end of such year such that the REIT will not be liable for ordinary income taxes for such year, net of tax refunds. The payment of such amounts shall be made on or before the following January 15.

Notwithstanding the REIT’s distribution policy, the trustees retain full discretion with respect to timing and quantum of distributions if declared.

Distributions in respect of Exchangeable Securities are detailed in Note 14 – Exchangeable Securities.

Note 24 – Accumulated other comprehensive income

	As at December 31, 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	27 040	12 850
Accumulated other comprehensive income	29 856	15 666

Change in cumulative translation adjustment account is \$14,152 attributable to the Unitholders of the Trust of which \$(38) is attributable to minority interest.

Note 25 – Risk arising from financial instruments

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.

The interest rate risk is mitigated by the REIT's strategy using derivative financial instruments on mortgage loans and on the lease liabilities. On December 31, 2025, after taking into consideration the effect of interest rate floor and interest rate cap, 33% of the REIT's long-term debt obligations has no exposure to interest rate risk (2024 – 26%).

The following table illustrates the sensitivity of profit or loss and equity to reasonably possible change in interest rates. It was considered that any further decreases in the interest rates would be unlikely or insignificant given the low rates at the reporting period end. The calculations are based on a change in the average market rate for each period presented, and the cases held at the reporting date that were sensitive to changes in interest rates.

Note 25 – Risk arising from financial instruments (cont'd)

As at December 31, 2025

Interest rate sensitivity	Net debt exposure	Impact on net income	Impact on comprehensive income
	100 616		
Reasonably possible increase in interest rates		50 basis points	50 basis points
Annualized impact of an increase on net income and equity		(503)	(503)

As at December 31, 2024

Interest rate sensitivity	Net debt exposure	Impact on net income	Impact on comprehensive income
	122 712		
Reasonably possible increase in interest rates		50 basis points	50 basis points
Annualized impact of an increase on net income and equity		(614)	(614)

Currency risk

As at December 31, 2025

Financial assets and liabilities denominated in foreign currencies	Impacting Net Income	Exposure to Euro		
		Impacting OCI	Total	
Monetary assets denominated in other than functional currency	2 715	71 112	73 827	
Monetary liabilities denominated in other than functional currency	-	(212 155)	(212 155)	
Net exposure in respect of monetary items denominated in other than functional currency	2 715	(141 043)	(138 328)	
Net exposure in respect of foreign currency exchange contracts (notional net buy amount in CAD\$)	-	-	-	
Net exposure	2 715	(141 043)	(138 328)	
Impact on	% change	Net income	OCI	Total
Gain or loss in the event of an increase in the value of the Euro/CAD\$	10%	272	(14 104)	(13 833)
Gain or loss in the event of a decrease in the value of the Euro/CAD\$	-10%	(272)	14 104	13 833

As at December 31, 2024

Financial assets and liabilities denominated in foreign currencies	Impacting Net Income	Exposure to Euro		
		Impacting OCI	Total	
Monetary assets denominated in other than functional currency	196	51 360	51 556	
Monetary liabilities denominated in other than functional currency	-	(222 598)	(222 598)	
Net exposure in respect of monetary items denominated in other than functional currency	196	(171 238)	(171 042)	
Net exposure in respect of foreign currency exchange contracts (notional net buy amount in CAD\$)	-	-	-	
Net exposure	196	(171 238)	(171 042)	
Impact on	% change	Net income	OCI	Total
Gain or loss in the event of an increase in the value of the Euro/CAD\$	10%	20	(17 124)	(17 104)
Gain or loss in the event of a decrease in the value of the Euro/CAD\$	-10%	(20)	17 124	17 104

Note 25 – Risk arising from financial instruments (Cont'd)

The REIT operates in France, Germany and Spain, and the functional currency for these operations is the Euro. The REIT's distributions have historically been paid to unitholders in Canadian dollars. Thus, the cash available for distribution to unitholders has historically been adversely impacted by currency variations. In order to ensure the predictability of distributions to its unitholders, the REIT has historically offset its foreign currency exposure from its foreign operations using foreign currency exchange contracts. The exchange rates relating to the REIT's net investments were secured foreign currency forward contracts.

During the year-ended December 31, 2024, in Q1 2024, the REIT negotiated cancellations of seven of its monthly foreign exchange forward contracts with Banque Palatine, as a result of its suspension of distribution (see Note 23). Each of the monthly contract cancellations represented a notional amount of \$1,400. The cancellations resulted in a realized gain to the REIT of €306 (\$455) which has been recognized in other finance income (see Note 21). In addition, in December 2024, the REIT negotiated cancellation and payment of its six foreign exchange forward contracts with Alpha Group. The cancellations resulted in a loss to the REIT of €438 (\$649) which has been recognized in other finance costs (see Note 21).

Credit risk

Credit risk is the risk that counterpart will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The REIT is directly exposed to credit risk from its leasing activities and its investing activities, including trades and other receivables, loans in other current financial assets, derivatives, deposits with banks and financial institutions. The REIT's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized on December 31, 2025.

Loans to joint ventures

Credit risk relating to loans to joint ventures is mitigated through recourse against such parties and/or the underlying real estate. The REIT monitors the debt service ability of the properties underlying the loans and the fair values thereof in order to assess for changes in credit risk.

Accounts receivable

Credit risk is managed by requiring tenants to pay rentals in advance. Also, in certain cases, deposits are obtained from tenants.

Accounts receivables are presented on the consolidated balance sheet, net of allowance for credit losses determined using the simplified method as allowed per IFRS 9. This provision is based on the expected recovery percentage of amounts receivable from each tenant and various other indicators, such as a deterioration of the credit situation of a given tenant. Management has taken steps to ensure credit risk on tenants is mitigated, including obtaining bank guarantees from tenants that mitigate the risk of credit risk on outstanding balances. Management regularly reviews accounts receivable and monitors past due balances.

Cash deposit and derivatives

Credit risk on cash and derivative financial instruments is managed through selecting appropriate financial institutions. The REIT holds its cash deposits in bank accounts with a diversified group of large public financial institutions in France, Germany and Spain. Financial institutions are selected based on their quality of credit rating and their level of financial transparency. The REIT enters into its derivative financial contracts by utilizing large, public financial services firms or mid-sized, public financial services firms at which balances are backed by large, public financial services firms.

Note 25 – Risk arising from financial instruments (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 monthly 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.

As at December 31, 2025, current liabilities for the REIT exceeded current assets by \$39,326 (December 31, 2024 - \$58,680). This shortfall is notably a result of the loans on Trio and Walpur properties being classified as current. The REIT is actively managing its liquidity risk with respect to these loans as follows:

Trio Loan – The Trio loan (\$32,461) has been classified as current due to its upcoming maturity and its classification as asset held for sale. On October 10, 2025, the REIT signed a preliminary exchange contract, subject notably to a financing condition, with a closing anticipated in Q1 2026. Subsequent to the year end, the property was disposed of and the mortgage loan and associated securities was fully extinguished after the senior lender agreed to partially forgive the outstanding mortgage in the amount of €10,600 (\$17,086) (Note 12 – Asset Held lo

Walpur Loan -The 18-month mezzanine loan of €5,600 (\$9,377) bears interest at 12% (6% paid quarterly and 6% at maturity) matures on November 12, 2026. Management's objective is to refinance this mezzanine loan with conventional financing, depending on progress on the reletting strategy.

Other bank loans mature within the 12 months following the issuance of the financial statements. Management has determined that a material uncertainty exists regarding the going concern assumption, as the REIT's ability to continue as a going concern depends on successfully refinancing or extending these loans, notably the Gaia mortgage loan, for which, unlike the other loans presenting similar risks, a potential default would not be limited to the entity level.

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, Delgado and Duisburg). The sale of either of these assets at their respective fair value would generate significant positive working capital that the REIT could use to mitigate any existing liquidity risk.

See Note 4 for key judgements made by management in arriving at this conclusion.

Note 25 – Risk arising from financial instruments (Cont'd)

Liquidity risk (cont'd)

The table below summarizes the maturities of the financial liabilities, and the lease liabilities based on contractual undiscounted payments. The undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts on the consolidated balance sheet, as the impact of discounting is not significant.

As at December 31, 2025	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Mortgage loans	32 461	43 310	26 046	-	101 817
Leases principal and interest	-	15 931	58 986	40 298	115 215
Interest-bearing loan	-	26	-	205	231
Exchangeable securities (value of securities plus interest on notes)	-	-	416	-	416
Tenant deposits	-	-	1 683	493	2 176
Trade and other payables	2 504	4 742	-	-	7 246
Total	34 965	64 009	87 131	40 996	227 101

As at December 31, 2024	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Mortgage loans	47 042	14 784	55 673	-	117 499
Leases principal and interest	-	8 794	67 235	41 993	118 022
Interest-bearing loan	-	83	-	189	272
Exchangeable securities (value of securities plus interest on notes)	-	-	385	-	385
Tenant deposits	-	139	1 773	571	2 483
Trade and other payables	1 512	5 901	-	-	7 413
Total	48 554	29 701	125 066	42 753	246 074

In accordance with IFRS, the Trust classifies the units as equity, notwithstanding the fact that the Trust's Units meet the definition of a financial liability. Under IAS 32, the units are considered a puttable financial instrument because of the holder's option to redeem units, generally at any time, subject to certain restrictions, at a redemption price per unit equal to the lesser of 90% of a 10-day weighted average closing price prior to the redemption date or 100% of the closing market price on the redemption date. The total amount payable by the REIT in any calendar month shall not exceed \$50 unless waived by the REIT's trustees at their sole discretion.

Note 25 – Risk arising from financial instruments (Cont'd)

Classification of financial instruments

The following tables summarize the classification of the REIT's consolidated financial instruments as at December 31, 2025 and 2024:

	As at December 31, 2025				
	Measured at Fair Value		Measured at amortized cost		Total
	Derivatives at FVTPL	Designated at FVTPL	Financial assets	Financial liabilities	
Financial assets					
Loans to joint ventures			21 683		21 683
Derivative financial instruments					-
Trade receivables and other financial assets			7 975		7 975
Restricted cash			1 057		1 057
Cash			25 057		25 057
Total financial assets	-	-	55 772	-	55 772
Financial liabilities					
Mortgage loans				100 616	100 616
Tenant deposits				2 176	2 176
Exchangeable securities		416			416
Derivative financial instruments					-
Trade and other payables				7 246	7 246
Total financial liabilities	-	416	-	110 038	110 454
	As at December 31, 2024				
	Measured at Fair Value		Measured at amortized cost		Total
	Derivatives at FVTPL	Designated as FVTPL	Financial assets	Financial liabilities	
Financial assets					
Loans to joint ventures			23 168		23 168
Derivative financial instruments					-
Trade receivables and other financial assets			9 528		9 528
Restricted cash			3 262		3 262
Cash			6 249		6 249
Total financial assets	-	-	42 207	-	42 207
Financial liabilities					
Mortgage loans				114 449	114 449
Tenant deposits				2 483	2 483
Exchangeable securities		385			385
Derivative financial instruments	0				-
Trade and other payables				7 412	7 412
Total financial liabilities	-	385	-	124 344	124 729

Note 25 – Risk arising from financial instruments (Cont'd)

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 and for which the carrying values are not reasonable approximations of their fair value:

As at December 31, 2025	Fair value hierarchy level	Carrying amount	Fair value
Financial assets			
Loans to joint ventures	3	21 683	21 683
Financial liabilities			
Mortgage loans	2	100 616	99 153
Tenant deposits	2	2 176	2 176
As at December 31, 2024	Fair value hierarchy level	Carrying amount	Fair value
Financial assets			
Loans to joint ventures	3	23 168	23 168
Financial liabilities			
Mortgage loans	2	114 449	113 145
Tenant deposits	2	2 483	2 483

The following methods and assumptions were used to estimate the fair values of financial instruments:

- The fair value of the loans to joint venture is estimated using the nominal amounts expected to be received at maturity and a discount rate based on prevailing market interest rates adjusted by an internally determined credit spread.
- Mortgage loans are carried at amortized cost using the effective interest 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 December 31, 2025.
- The fair value of tenant deposits is estimated using the nominal amounts expected to be repaid at maturity and a discount rate based on prevailing market interest rates adjusted by an internally determined credit spread.

The fair value of mortgage loans has been determined by discounting the cash flows of these financial obligations using December 31, 2025, market rates for debts of similar terms (Level 2). Based on these assumptions, the fair value as at December 31, 2025 of the mortgage loans has been estimated at \$99,153 (December 31, 2024 – \$113,145) compared with the carrying value before deferred financing costs of \$100,616 (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.

Note 25 – Risk arising from financial instruments (Cont'd)

Fair value hierarchy

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 December 31, 2025			
	Level 2	Level 3	Total
Investment properties	-	275 916	275 916
Investment property - classified as held for sale	-	15 797	15 797
Exchangeable securities	(416)	-	(416)

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)

There were no transfers between any level during the years ended December 31, 2025, and 2024.

The REIT's management is responsible for determining fair value measurements included in the consolidated financial statements, including Level 3 fair values.

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is in Note 6 – Investment Properties. The gains or losses relating to the investment properties are recognized in the consolidated statement of earnings lines entitled "Net change in fair value of investment properties". The entire amount of gain or loss reported on this line in the reporting period is unrealized.

The following methods and assumptions were used to estimate the above-mentioned fair values:

- 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 26 – 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 recognized as compensation expense for the same period. Upon cash settlement of a DSU the liability balance is reduced, and the fair value of the units is paid out in cash.

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 annual 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 December 31, 2025	As at December 31, 2024
Outstanding at beginning of period	157 240	58 595
Elected DU	67 160	70 222
Exercised	(96 127)	(66 325)
ADUs earned	123 931	92 125
Forfeited	-	2 623
Outstanding at end of period	252 204	157 240

As of December 31, 2025, 252,204 DSUs are outstanding and 647,830 DSUs are available for grant under the DSU Plan.

There were 96,127 DSUs exercised during the year ended December 31, 2025.

The total liability related to the DSU plan as of December 31, 2025, was \$161 (2024 : \$67) and was included in Trade and other payables.

Subsequent to year-end, in February 2026, the Trustees approved the immediate vesting of all previously unvested Deferred Units held by Trustees. The Trustees also determined that, effective February 4, 2026, the Deferred Unit Plan will no longer be used as a form of Trustee compensation and that no further Deferred Unit grants will be made unless the Board determines otherwise. All outstanding Deferred Units will continue to be governed by the terms of the Deferred Unit Plan until settlement. Effective January 1, 2026, all Trustee compensation, including annual retainers, committee fees and meeting fees, will be paid solely in cash, with the annual cash retainer for each Trustee increased from \$30,000 to \$50,000 in lieu of Deferred Unit compensation.

Note 27 – 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. Outstanding balances are usually settled in cash, except for management fees to Inovalis SA that were settled quarterly through the issuance of exchangeable securities until Q1 2018 (refer to Note 14 - Exchangeable Securities). The amended management agreement allows for the management fees to be settled quarterly through the issuance of either exchangeable securities or in cash. Since Q2 2018, the management fees were settled half in exchangeable securities and half in cash based on the REIT's projected cash requirements and following the approval of the Board of Trustees.

Inovalis and its subsidiaries	Financial statement line item	Note	For the year ended December 31, 2025	For the year ended December 31, 2024
Revenues				
Rental income	Rental income		5	9
			<u>5</u>	<u>9</u>
Expenses				
Asset management fees	Administration expenses	A	(1 255)	(753)
Facilities management fees	Service charge expenses		(326)	(272)
Property management fees	Service charge expenses	B	(814)	(667)
Letting fees invoiced	Service charge expenses		(241)	(49)
less portion accounted for over the lease term	Service charge expenses		(185)	(29)
Reimbursement of travel expenses	Administration expenses		(358)	(319)
Trustee fees	Administration expenses		(346)	(314)
			<u>(3 526)</u>	<u>(2 403)</u>

(A) Asset management fees of \$1,777 and \$1,931 as at December 31, 2025, and 2024 respectively, correspond to the asset management fees earned for the entire portfolio, including \$1,255 and \$1,178 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 December 31, 2025	As at December 31, 2024
Assets			
Trade and other receivables	9	568	521
		<u>568</u>	<u>521</u>
Liabilities			
Interest-bearing loan		231	272
Distributions payable	14	17	(5)
Exchangeable securities	14	416	385
		<u>664</u>	<u>652</u>

On April 30, 2025 and December 23, 2025, the REIT completed the sales of the Sabliere and Baldi properties respectively. In conjunction with the sale, the REIT incurred disposition fees totaling €320 (\$505) paid to Inovalis SA. Additionally, the REIT paid a portion of broker fees totaling €438(\$691) 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 27 – Transactions with related parties (cont’d)

Inovalis SA – Asset manager (cont’d)

On March 27, 2023, the Board of Trustees approved a two-year extension of the Management Agreement with Inovalis SA that became effective on April 1, 2023.

The following key terms of the management agreement were:

- **Term:** The extension is for three (3) years ending on March 31, 2026 and has been extended for an additional term of one year as provided in the Fifth Amended and Restated Management Agreement.
- **Asset Management Fees:** Will be calculated as a percentage of Assets Under Management in accordance with the following scale:

Assets Under Management	Annual Asset Management Fee
On the first \$1.0 billion	0.5%
From \$1.0 billion to \$2.0 billion	0.4%
On \$2.0 billion and over	0.3%

The asset management fee will be further reduced by \$500,000 once the REIT Finance Function Internalization is completed.

- **Disposition Fees:** Inovalis S.A. will receive a cash fee equal to (a) 1.0% of the gross proceeds resulting from any disposition of a property completed by Inovalis S.A. or (b) 0.5% of Assets Under Management in the event of (i) a change of control of the REIT which results in a termination of the management agreement, (ii) a sale of all or substantially all of the assets of the REIT, or (iii) a sale or other disposition of CanCorpEurope

S.A. In all cases, a disposition fee will only be payable to the extent that the net proceeds of any sale or disposition are paid to or distributed as a special distribution to Unitholders of the REIT. Furthermore, only one disposition fee shall be payable for each individual asset disposed of, and no disposition fee shall be payable on a change of control of the REIT to the extent that Inovalis S.A. takes any action to oppose the change of control.

- **G&A Budget:** The REIT and Inovalis S.A. will agree to a budget for general and administrative expenses on an annual basis (the “G&A Budgeted Amount”), with any additional proposed expenditures to be approved by the Audit Committee of the REIT. Inovalis S.A. will be obligated to reimburse the REIT for amounts in excess of the G&A Budgeted Amount based on a scale. In the event that the actual G&A expenses of the REIT are significantly less than the G&A Budgeted Amount, the REIT shall pay to Inovalis S.A. an additional fee based on the percentage of the savings in accordance with the following scale:

Percentage of Excess under G&A Budgeted Amount	Percentage of Saved G&A to be paid by the REIT to Inovalis SA
0% - 10%	Nil
10% - 15%	20%
15% - 20%	30%
20% - 25%	50%
25%+	100%

Note 27 – Transactions with related parties (cont'd)

Inovalis SA – Asset manager (cont'd)

- **Manager Reimbursement:** The Manager will reimburse the REIT for any general and administrative expenses in excess of the Annual G&A Budgeted Amount in accordance with the following scale:

Percentage of Excess over G&A Budgeted Amount	Percentage of Excess G&A to be reimbursed by Inovalis S.A. to the REIT
0% - 10%	Nil
10% - 15%	20%
15% - 20%	30%
20% - 25%	50%
25%+	100%

Also, from January 1, 2021 until the completion of the REIT Finance Function Internalization, Inovalis S.A. will reimburse the REIT for 50% of all costs related to the REIT Finance Functions.

- **Change of Control:** Upon the occurrence of a change of control of the REIT, the Board of Trustees has the option to terminate the Management Agreement, exercisable within 90 days.

On March 27, 2023, the Board of Trustees approved a three-year extension of the Management Agreement with Inovalis SA. The following modifications were approved in the amended and management agreement:

- Extended for three years from March 31, 2023 to March 31, 2026, plus an additional one year upon mutual agreement;
- Disposition fees are payable to Inovalis SA irrespective of whether proceeds of sale or disposition are paid to or distributed as a special distribution to Unitholders of the REIT

Note 27 – 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 year ended December 31, 2025	For the year ended December 31, 2024
Management fees invoiced to joint ventures	Administration expenses	(1 255)	(1 178)
Facilities management fees	Service charge expenses	(66)	(55)
Property management fees	Service charge expenses	(308)	(224)
Letting fees invoiced	Service charge expenses	(86)	(95)
less portion accounted for over the lease term	Service charge expenses	(78)	(89)
Finance income	Finance income	3 038	2 827
		1 245	1 186

Management fees invoiced to joint ventures include:

- A. An annual asset management fee in the amount of 0.5% of assets under management
- B. A leasing fee in an amount equal to (i) 10% of the first-year annual rent for lease renewals signed by existing tenants, or (ii) 20% of the first-year annual rent for leases by new tenants;
- C. A construction management fee in respect of capital projects in an amount equal to 5% of all hard construction costs incurred on a project;
- D. An acquisition fee in the amount of 1% of the purchase price of any property acquired (excluding of properties owned or managed by the Manager);
- E. An annual property management fee in an amount equal to 3.0% of the gross revenue of the properties, unless otherwise stipulated in any tenant lease provided the Property Management Fee is fully recoverable by the landlord.

		Due from joint ventures	
	Financial statement line item	As at December 31, 2025	As at December 31, 2024
Assets			
Loan receivable	Investments accounted for using the equity method	21 683	23 168
Interest receivables	Other financial assets - current	3 916	5 639
		25 599	28 807
Liabilities			
Balance of trade payables	Trade and other payables	554	249
		554	249

For more information on joint ventures, please refer to Note 7 – 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 year ended December 31, 2025	For the year ended December 31, 2024
Wages, fees and other benefits	(346)	(314)
	(346)	(314)

Note 28 – Capital management

The REIT's objectives when managing capital is to safeguard the REIT's ability to provide returns for unitholders and for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The REIT considers its capital to include its unitholders' equity, its mortgage loans, its lease liabilities, and the Exchangeable Securities.

The terms of the REIT's Declaration of Trust as amended at the special meeting of unitholders held January 20, 2016, stipulates that the REIT shall not incur or assume any indebtedness if, after giving effect to the incurrence or assumption of the indebtedness, the total indebtedness of the REIT would be more than 60% of the REIT's Gross Book Value (GBV). These stipulated limits are taken into consideration principally when planning the financing of acquisitions and when preparing corporate plans and budgets.

As outlined below, the REIT is meeting this objective in that its total indebtedness was 66% of its GBV as at December 31, 2025 (2024 – 59%).

	2025	2024
Investment properties	275 916	327 789
Investments in joint ventures	35 174	37 047
Gross book value	311 090	364 836
Mortgage loans - non-current	57 993	53 961
Lease liabilities - non-current	90 682	95 752
Mortgage loans - current	42 623	60 488
Lease liabilities - current	12 999	5 035
Total indebtedness	204 297	215 236
Total indebtedness as a % of gross book value	66,0%	59,0%

Note 29 – Contingent liabilities and financial guarantees

Commitments given

Guarantees provided by the REIT with respect to its long-term debt include a preferential claim held by the mortgage lenders on the Trio 1, 2, 3, Walpur, Gaia and Delgado properties in the amount of €84,736 (\$136,586).

The companies Cancorp Trio 1, Cancorp Trio 2, Cancorp Trio 3, Gaia Nanterre and Delgado also need to comply with banking covenants. The REIT is in breach of interest coverage ratio banking covenant on the mortgage loan at December 31, 2025 held within Gaia Nanterre (See Note 13). The REIT is in compliance with all other covenants as at December 31, 2025.

Guarantees provided by the REIT with respect to its long-term debt on the joint venture companies include a preferential claim held by the mortgage lenders on Duisburg, Stuttgart, Isenburg, Delizy and Kosching in the amount of €53,280 (\$85,882) as per REIT's share portion.

Tenant commitments received

The companies SCI Metropolitan, Walpur, Cancorp Trio 1, Cancorp Trio 2 and Cancorp Trio 3 received bank guarantees securing the rents of certain tenants up to €1,441 (\$2,108).

The five joint venture companies (Delizy, Duisburg, Stuttgart, Isenburg and Kosching) received bank guarantees securing the rents of certain tenants up to €1,903 (\$3,067), for the REIT's share portion.

Note 30 – Geographical Information

Total revenue by geographic region For the years ended December 31,	Rental income		Property operating cost recoveries		2025	2024
	2025	2024	2025	2024		
France	10 036	10 815	2 732	3 591	12 768	14 406
Germany	4 629	5 393	1 106	868	5 735	6 261
Spain	2 639	2 431	722	644	3 361	3 075
	17 304	18 639	4 560	5 103	21 864	23 742

Investment properties and investments in joint ventures by geographic region	As at December 31, 2025	As at December 31, 2024
France	217 082	250 499
Germany	50 970	74 724
Spain	43 038	39 613
	311 090	364 836

Note 31 – Cash flow information

	Note	2025	2024
Adjustments for non-cash items and other reconciling items:			
Decrease in rent-free period	6	518	318
less portion re-invoiced to joint-ventures	21	-	-
Net change in fair value of investment properties	6	40 568	66 774
Net change in fair value of financial derivatives		-	20
Distributions recognized on exchangeable securities	14	(17)	-
Net change in fair value of exchangeable securities		31	(735)
Finance income	21	(3 070)	(3 282)
Finance costs	21	8 369	7 057
Share of net loss from investments in joint venture	7	1 500	3 181
Impairment of loans to joint ventures	7	3 498	2 729
Foreign exchange loss		49	-
		51 446	76 062
Working capital adjustments			
Increase (decrease) in trade and other receivables		(146)	2 213
Decrease (increase) in tenant deposits		(552)	2
Decrease (increase) in trade and other payables		(364)	42
		(1 062)	2 257

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 December 31, 2025
Exchangeable securities	385	-	-	-	31	416
Mortgage loans	114 449	9 382	(32 161)	8 946	-	100 616
Lease liabilities	100 787	-	(5 297)	8 191	-	103 681

Note 32 – Subsequent events

Sale of Trio property

Subsequent to the year-end, on January 30, 2026, the REIT completed the sale of the Trio property at a sale price of €9,800 (\$15,797). Concurrently with the closing of the sale, the senior lender agreed to partially forgive the outstanding mortgage, in the amount of €10,600 (\$17,086). The mortgage loan and related securities were fully terminated on the transaction date. In conjunction with the sale, the REIT incurred disposition fees totaling €98 (\$158) paid to Inovalis SA. Additionally, the REIT paid a portion of broker fees amounting to €100 (\$161) to Advenis Germany, 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.

Extension of mortgage loans financing the Stuttgart, Neu-Isenburg and Kosching properties (held 50% in joint ventures)

On February 26, 2026, the REIT obtained a 6-month extension to the current mortgage loans financing the Stuttgart, Neu-Isenburg and Kosching properties (held 50% in joint ventures) representing a total amount of \$47,274. The new maturity set to August 30, 2026 grants Management with additional time to assess refinancing options and/or continue the asset management work to market these properties.

Discontinuation of the DSU Plan and Vesting of Outstanding DSUs

Subsequent to year-end, in February 2026, the Trustees approved the immediate vesting of all previously unvested DSUs held by Trustees. The Trustees also determined that, effective February 4, 2026, the DSU Plan will no longer be used as a form of Trustee compensation and that no further DSU grants will be made unless the Board determines otherwise. All outstanding DSUs will continue to be governed by the terms of the DSU Plan until settlement. Effective January 1, 2026, all Trustee compensation, including annual retainers, committee fees and meeting fees, will be paid solely in cash, with the annual cash retainer for each Trustee increased from \$30,000 to \$50,000 in lieu of DSU compensation.

Income Tax Appeal

Subsequent to year-end, an appeal was filed with the Paris Administrative Court of Appeal regarding a December 2025 ruling of the Paris Administrative Court on withholding tax reassessments related to the Arcueil property for the 2017 to 2019 taxation years, during which the REIT held a 25% interest through a joint venture. The Court upheld the reassessments and, accordingly, an amount of €5,888 (\$9,294) is payable to the French tax authorities. Based on legal advice, Management believes the appeal has a reasonable prospect of success and could result in a partial refund of approximately \$7,182. As the appeal does not suspend payment, Management has secured a deferred payment schedule over ten months, with the remaining balance payable in 2027 or from any sale proceeds.

Corporate information

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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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