inovalis REIT

Condensed Interim Consolidated Financial Statements (unaudited)

September 30, 2026





Disclosure of non-review of condensed interim consolidated financial statements for the quarters ended September 30, 2026 and 2025

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

The accompanying unaudited condensed interim consolidated financial statements of the REIT for the quarters ended September 30, 2026 and 2025 have been prepared in accordance with International Accounting Standard 34, Interim Financial reporting, and are the responsibility of the REIT's management.

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

Inovalis Real Estate Investment Trust
Interim Consolidated Balance Sheets
(Unaudited)
(All dollar amounts in thousands of Canadian dollars)

Assets	Note	As at September 30, 2026	As at December 31, 2025
Non-current assets			
Investment properties	*5*	272 104	275 916
Investments in joint ventures	*6*	28 194	35 174
Other financial assets		460	460
Restricted cash	*8*	80	684
Total non-current assets		**300 838**	**312 234**
Current assets			
Trade receivables and other financial assets	*7*	8 560	7 975
Other current assets		2 002	1 944
Restricted cash	*8*	1 209	373
Cash	*8*	12 537	25 057
Total current assets		**24 308**	**35 349**
Asset held for sale	*9*	-	15 797
Total assets		**325 146**	**363 380**

Liabilities and equity	Note	As at September 30, 2026	As at December 31, 2025
Liabilities			
Non-current liabilities			
Interest-bearing loan		-	205
Mortgage loans	*10*	-	57 993
Lease liabilities	*10*	49 336	90 682
Tenant deposits		1 601	2 176
Total non-current liabilities		**50 937**	**151 056**
Current liabilities			
Interest-bearing loan		79	26
Mortgage loans	*10*	68 095	42 623
Lease liabilities	*10*	52 187	12 999
Tenant deposits		765	-
Exchangeable securities	*11*	271	416
Trade and other payables	*12*	6 421	8 535
Income tax payable		4 651	9 550
Deferred income		1 278	248
Provisions	*13*	278	278
Total current liabilities		**134 025**	**74 675**
Total liabilities		**184 962**	**225 731**
Equity			
Trust units	*17*	301 113	300 859
Deficit		(191 174)	(191 908)
Accumulated other comprehensive income	*18*	29 744	29 856
Total unitholders' equity		**139 683**	**138 807**
Non-controlling interest		501	(1 158)
Total equity		**140 184**	**137 649**
Total liabilities and equity		**325 146**	**363 380**

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

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

Jean-Daniel Cohen
Chairman and Trustee

Robert Waxman
Audit Chair and Trustee

Inovalis Real Estate Investment Trust
Interim Consolidated Statements of Earnings
(Unaudited)
(All dollar amounts in thousands of Canadian dollars, except for per unit amounts)

	Note	For the three months ended September 30, 2026	For the three months ended September 30, 2025	For the nine months ended September 30, 2026	For the nine months ended September 30, 2025
Rental revenue	*14*	**3 023**	4 380	**8 770**	13 037
Property operating cost recoveries	*14*	**798**	1 292	**2 420**	3 803
Property operating costs	*15*	**(986)**	(1 208)	**(6 564)**	(8 252)
Other revenues		**33**	31	**524**	62
Other property operating expenses		**(7)**	(794)	**(22)**	(1 513)
Net rental income		**2 861**	**3 701**	**5 128**	**7 137**
General and administrative expenses	*15*	**(1 081)**	(1 082)	**(3 845)**	(3 803)
Foreign exchange gain (loss)		**-**	22	**-**	68
Loss on disposal of investment properties	*7*	**-**	-	**(475)**	(167)
Share of net profit (loss) from joint ventures	*6*	**448**	(358)	**(6 924)**	(1 887)
Operating earnings (loss)		**2 228**	**2 283**	**(6 116)**	**1 348**
Net change in fair value of Investment properties	*5*	**(436)**	(572)	**(4 712)**	(6 360)
Net change in fair value of Exchangeable securities	*11*	**2**	39	**57**	71
Impairment loss of financial assets		**(1 139)**	-	**(1 692)**	-
Finance income	*16*	**1 108**	776	**19 795**	2 285
Finance costs	*16*	**(1 803)**	(2 271)	**(5 025)**	(6 530)
Income (loss) before income taxes		**(40)**	**255**	**2 307**	**(9 186)**
Current income tax expense		**(66)**	(65)	**(111)**	(166)
Total income tax expenses		**(66)**	(65)	**(111)**	**(166)**
Net income (loss)		**(106)**	**190**	**2 196**	**(9 352)**
Net profit (loss) attributable to:					
Non-controlling interest		**(1)**	1	**803**	(212)
Unitholders of the Trust		**(105)**	189	**1 393**	(9 140)
		(106)	**190**	**2 196**	**(9 352)**

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

Inovalis Real Estate Investment Trust
Interim Consolidated Statements of Comprehensive Income
(Unaudited)
(All dollar amounts in thousands of Canadian dollars)

	Note	For the three months ended September 30, 2026	For the three months ended September 30, 2025	For the nine months ended September 30, 2026	For the nine months ended September 30, 2025
Net (loss) profit for the period		**(106)**	**190**	**2 196**	**(9 352)**
Other comprehensive (loss) income					
Items that may be reclassified subsequently to (loss) income :					
Change in cumulative translation adjustment account	18	**(960)**	3 743	**106**	17 600
Other comprehensive (loss) income		**(960)**	**3 743**	**106**	**17 600**
Total comprehensive (loss) income		**(1 066)**	**3 933**	**2 302**	**8 248**
Total comprehensive (loss) income attributable to:					
Non-controlling interest		**824**	2	**854**	(232)
Unitholders of the Trust		**(1 890)**	3 931	**1 448**	8 480
Total comprehensive (loss) income		**(1 066)**	**3 933**	**2 302**	**8 248**

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

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

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

	Note	Number of Units issued and outstanding	Trust Units	Retained earnings (deficit)	Accumulated other comprehensive income	Total attributable to the Unitholders' of the Trust	Non-controlling interest	Total equity
As at December 31, 2024		33 206 180	296 206	(129 834)	15 666	182 038	67	182 105
Issuance of units for payment of trustee fees	*19*	57 689	47	-	-	47	-	47
Foreign exchange impact on Non-controlling interest		-	-	-	-	-	40	40
		57 689	47	-	-	47	40	87
Net loss for the year		-	-	(9 140)	-	(9 140)	(212)	(9 352)
Other comprehensive (loss) income		-	-	-	17 620	17 620	(20)	17 600
Comprehensive (loss) income		-	-	(9 140)	17 620	8 480	(232)	8 248
As at September 30, 2025		**33 263 869**	**296 253**	**(138 974)**	**33 286**	**190 565**	**(125)**	**190 440**
As at December 31, 2025		**33 302 307**	**300 859**	**(191 908)**	**29 856**	**138 807**	**(1 158)**	**137 649**
Issuance of units from payment of trustee fees	*19*	**252 200**	**254**	**-**	-	**254**	-	**254**
Change in ownership interest in a subsidiary [1]		-	-	**(659)**	**(167)**	**(826)**	**826**	**(0)**
Foreign exchange impact on Non-controlling interest		-	-	-	-	**-**	**(21)**	**(21)**
		252 200	**254**	**(659)**	**(167)**	**(572)**	**805**	**233**
Net income for the period		**-**	**-**	**1 393**	**-**	**1 393**	**803**	**2 196**
Other comprehensive (loss) income		**-**	**-**	**-**	**55**	**55**	**51**	**106**
Comprehensive (loss) income		**-**	**-**	**1 393**	**55**	**1 448**	**854**	**2 302**
As at September 30, 2026		**33 554 507**	**301 113**	**(191 174)**	**29 744**	**139 683**	**501**	**140 184**

(1) On July 24, 2026, The REIT, through its subsidiary CanCorp Europe, acquired the 5.9% minority interest in the three CanCorp Trio entities, consequently to the disposal of their assets on January 30, 2026.

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

Inovalis Real Estate Investment Trust
Interim Consolidated Statements of Cash Flows
(Unaudited)
(All dollar amounts in thousands of Canadian dollars)

	Note	For the nine months ended September 30, 2026	For the nine months ended September 30, 2025
Operating activities			
Income (loss) before income taxes		**2,307**	(9,186)
Interest received		**1,864**	703
Interest paid		**(5,025)**	(6,530)
Income tax paid		**(4,903)**	(5)
Adjustments for non-cash items and other reconciling items	*22*	**(3,532)**	12,544
		(9,289)	**(2,474)**
Working capital adjustments	*22*	**(1,190)**	145
Net cash flows related to operating activities		**(10,479)**	**(2,329)**
Investing activities			
Additions to investment properties and capitalized letting fees	*5*	**(80)**	(856)
Disposition of investment property	*9*	**15,798**	27,478
Additional loan advances to joint ventures	*6*	**(762)**	-
Loan repayments received from joint ventures	*6*	**816**	-
Net change in restricted cash	*8*	**-**	(799)
Net cash flows related to investing activities		**15,772**	**25,823**
Financing activities			
Issuance of mortgage loans	*22*	**-**	9,132
Repayment of mortgage loans	*22*	**(15,441)**	(23,853)
Repayment of lease liabilities	*22*	**(2,197)**	(4,288)
Issuance of interest bearing loan		**-**	138
Repayment of interest bearing loans		**(152)**	-
Net cash flows related to financing activities		**(17,790)**	**(18,871)**
Decrease in cash		**(12,497)**	**4,623**
Effects of foreign exchange adjustments on cash		**(23)**	1,044
Cash at the beginning of the period	*8*	**25,057**	**6,249**
Cash at the end of the period	*8*	**12,537**	**11,916**

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

Note 1 – Organization

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

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

The REIT's condensed interim consolidated financial statements as at and for the nine months ended September 30, 2026, were authorized for issuance by the Board of Trustees on November 13, 2026.

The REIT has engaged Inovalis S.A. ("Inovalis SA"), a real estate asset manager having operations in France, Germany, and Spain to manage certain functions. Refer to Note 1 of the 2025 annual consolidated financial statements for more information about the relationship between Inovalis SA and the REIT, and to Note 20 in these condensed interim consolidated financial statements, for information regarding the services provided by Inovalis SA to the REIT.

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

Note 2 – Basis of presentation and statement of compliance

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

The 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 mainly 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. These unaudited condensed interim consolidated financial statements use the same accounting policies and methods of their application as the REIT's most recent annual consolidated financial statements and should be read in conjunction with the 2025 annual audited consolidated financial statements, which have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the IASB.

Note 3 – Recent accounting pronouncement adopted

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026.

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

The adoption of these amendments did not have a significant impact on the unaudited condensed interim consolidated financial statements of the Group.

Note 4 – Critical accounting judgments and estimates

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the REIT's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2025. The most significant source of estimation uncertainty continues to be the fair value of investment properties (see Note 5), which, is subject to heightened uncertainty as a result of political uncertainty and social tensions in France, the level of interest rates and the availability of financing, and reduced transaction volumes and liquidity in the French real estate market. Changes in these conditions could result in material adjustments to the carrying amounts of investment properties, investments in joint ventures and unitholders' equity in future periods.

Going Concern Analysis

The REIT has prepared the financial statements on the assumption that it will continue to operate as a going concern. This implies that the REIT will continue its operations for the foreseeable future, enabling it to realize its assets and settle its obligations in the normal course of business. Management's assessment of the going concern status includes forecasting cash flow requirements under various stress-tested scenarios 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 Gaia loan ($35,330) matures on March 27, 2027. Management is in ongoing discussions with the lender regarding the reletting, redevelopment or disposal strategy for the property, which has an 80% projected vacancy rate. Based on discussions held to date, management is confident that an extension of the loan beyond its current maturity can be secured, providing adequate time to implement the selected strategy under optimal conditions.

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

The Delgado loan ($22,972) matures on March 31, 2027. Given the 100% occupancy rate, the 54% LTV based on Q2'2026 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 21 - Liquidity Risk).

The mortgage financing for Duisburg ($26,535), a property held 50% in a joint venture, matures on March 31, 2027. The property is 100% let until December 2027 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 joint entity level.

On the Arcueil property, after a 2-year suspension of scheduled debt amortization from Q2 2024 through Q2 2026 on the lease liability contract ($49,431), Management is negotiating extension of amortization until sale anticipated in Q1 2027, supported by the progress on the sale process. The sale proceeds would cover the full repayment of the debt.

(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 Metropolitain). 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 87.5% of the Arcueil property for redevelopment. While significant progress has been made in satisfying the administrative requirements and waiving conditions precedent, delays in administrative procedures have resulted in the expected closing date shifting from year-end 2026 to Q1 2027. The sale would generate net cash proceeds of $5.6 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.

Note 5 – Investment properties

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

	For the nine months ended September 30, 2026	For the year ended December 31, 2025
Balance, beginning of the period	**275 916**	**327 789**
Capex	**169**	1 274
Disposition of Baldi investment property	**-**	(22 607)
Change in capitalized letting fees	**(89)**	136
Rent free periods	**595**	(518)
Net change in fair value of investment properties	**(4 712)**	(40 568)
Foreign currency translation adjustment	**225**	26 207
Asset classified as held for sale	**-**	**(15 797)**
Balance, end of the period	**272 104**	**275 916**

All of the REIT's investment properties with a fair value of $272,104 (December 31, 2025 - $275,916) are pledged as security for an amount of $169,618 (December 31, 2025 - $204,297) in mortgage loans and lease liabilities.

Appraisal capitalization and discount rates

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

Fair value is measured in accordance with IFRS 13 as the price that would be received to sell a property in an orderly transaction between market participants at the measurement date, and the external appraisals assume an orderly marketing period for each property on an individual basis. Fair value therefore does not reflect the amounts that might be realized in a forced, accelerated or portfolio disposition, nor the transaction costs, taxes, debt repayment and other costs that would be incurred on disposition.

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

In addition, the CEO and the CIO are responsible for the internal valuation department in charge of the evaluation of REIT's properties. Inovalis SA's internal valuation department comprises a certain number of employees that hold relevant internationally recognized professional qualifications and are experienced in valuing the types of property in applicable locations. External valuations are obtained every six months for all properties. The REIT's investment properties were last appraised by an external evaluator as of June 30, 2026. As at September 30, 2026, these appraisals have been reviewed by management to consider, if any, major changes in the market assumptions or letting cycle that occurred during the third quarter and that could have a significant impact on valuation of the properties. For the Arcueil property, the value is determined based on the condition of the exchange contract signed in December 2024, at a discount rate of 6.68% reflecting the risk associated with this long-term sale (Q1 2027).

Note 5 – Investment properties (cont'd)

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

	As at September 30, 2026			
	France	Germany	Spain	Total
Fair value of investment properties for financial reporting purposes				
Market value (in KEUR) as estimated by external appraisers	**133 168**	**11 700**	**26 700**	**171 568**
Option costs	**(2 832)**	**-**	**-**	**(2 832)**
Adjusted market value in EUR	**130 336**	**11 700**	**26 700**	**168 736**
Exchange adjustment	**79 844**	**7 168**	**16 356**	**103 368**
Adjusted market value in CAD$	**210 180**	**18 868**	**43 056**	**272 104**
Principal method used to value property [1]	**DC**	**DC**	**DC**	
Capitalization rate / discount rate	**5.25% to 8.00%**	**6.30% to 7.70%**	**6,75%**	
Terminal capitalization rate	**6,56%**	**7,70%**	**6,75%**	
Impact on the fair value of investment properties of :				
an increase of 25 bps on the cap rate and/or discount rate	**(8 013)**	**(593)**	**(1 538)**	**(10 144)**
a decrease of 25 bps on the cap rate and/or discount rate	**8 703**	**633**	**1 656**	**10 992**

(1) "DC" for Direct Capitalization Method

	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.

Right-of-use assets

The REIT leases various investment properties with a carrying amount of $172,225 (December 31, 2025 – $168, begin to expire in less than 1 year (December 31, 2025: 2 years).

Note 6 – Investments in joint ventures

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

	Duisburg	Stuttgart	Delizy	Isenburg	Kosching	Total
Balance - December 31, 2024	**12,602**	**12,217**	**-**	**5,354**	**6,874**	**37,047**
Additional investment for the year	-	-	-	529	-	529
Share of net (loss) income 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**
Additional investment for the year	-	-	-	-	762	**762**
Share of net income (loss) from investments [1]	(472)	(163)	1,692	(2,187)	(4,102)	**(5,232)**
Impairment of loans to joint ventures [2]	-	-	(1,692)	-	-	**(1,692)**
Loan repayments received from joint ventures	-	(816)	-	-	-	**(816)**
Exchange differences	3	3	-	(3)	(5)	**(2)**
Balance - September 30, 2026	**12,299**	**8,800**	**-**	**4,450**	**2,645**	**28,194**

(1) The share of net income (loss) from investments includes the interest expense in relation to the loans granted to the joint ventures. The interest earned by the REIT in relation to these loans for the nine months ended September 30, 2026, amounted to $2,326 (2025 - $2,255) and are included in "Finance income" (see note 16).

(2) 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 September 30, 2026, except the recognition of provision on accrued interests on bearing loan which are considered as not recoverable in the books of CanCorp Europe.

The consolidated share of net loss from joint ventures, totaling $6,924 includes $5,232 of share of net loss from investments and $1,692 of impairment of loans to joint ventures. The impairment loss is presented within "Impairment loss of financial assets" in the consolidated statement of earnings.

For the nine months ending September 30, 2026, a €508 ($816) joint venture loan repayment occurred on the Stuttgart joint venture loan immediately reinvested by shareholders in the Kosching joint venture loan.

The balance of investments in joint ventures as at September 30, 2026 included loans to joint ventures for an amount of $21,637 which is detailed as follows:

Loans to joint ventures	Duisburg	Stuttgart	Delizy[1]	Isenburg	Kosching	Total
Gross Balance - September 30, 2026	12 020	8 371	12 783	1 246	-	34 420
Less: Cumulative ECL	-	-	(12 783)	-	-	(12 783)
Net Balance - September 30, 2026	**12 020**	**8 371**	**-**	**1 246**	**-**	**21 637**
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**

(1) Net balance for the REIT's loan to Delizy as at September 30, 2026 and 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.

Stuttgart, Isenburg and Kosching - Mortgage Loan Extension

On September 17, 2026, the REIT obtained extensions of the current mortgage loans financing the Stuttgart, Neu-Isenburg and Kosching properties (held 50% in joint ventures) representing a total amount of $45,560. The new maturity set to February 29, 2028, grants the JVs with additional time to pursue the asset management work, targeting dispositions. Under the extension, the loan bears interest at 2.25% margin on top of the EURIBOR 3-month floating rate, requires quarterly cash reserve payments and prevents distribution to shareholders until full repayment of the loan.

Note 6 – Investments in joint ventures (cont'd)

Delizy – Preliminary Exchange Contract

In June 2026, the REIT received offers from third-party purchasers (the "Purchasers") relating to the disposition of the Delizy property – held 50% by the REIT in joint venture - which it then accepted. The Delizy property, located in Pantin in the Northern first ring of Paris, has a total gross leasable area of 143,235 sq. ft. and a strong redevelopment potential. On July 28, 2026, the REIT signed preliminary exchange contracts with three developers for the disposition of the Delizy property at a total sale price of €17,405 ($28,067). Because of administrative milestones, the transaction is anticipated to close in Q3 2027. The transaction is subject to building permit approval and eviction of the remaining tenants at the REIT's expense estimated to be $2,200. Net proceeds are expected to be used to repay the senior lender.

Note 7 – Trade receivables and other financial assets

	Note	As at September 30, 2026	As at December 31, 2025
Trade receivables		**4 940**	4 205
Provision for impairment of trade receivables		**(2 257)**	(2 618)
Trade receivables		**2 683**	**1 587**
Other receivables		**437**	1 904
Other receivables - Inovalis SA	*20*	**887**	568
Interest receivable - Joint ventures - current	*20*	**9 839**	7 504
Provision for impairment of interest receivables from joint ventures - current		**(5 286)**	(3 588)
Other current financial assets		**5 877**	**6 388**
Total trade receivables and other financial assets		**8 560**	**7 975**

The balance of 'Provision for impairment of interest receivables from joint ventures – current' represented the impairment related to interest receivables from SCI Delizy. A $1,692 impairment loss was recognized over the nine months ended September 30, 2026.

Note 8 – Cash, cash equivalents and restricted cash

Cash and cash equivalents

	As at September 30, 2026	As at December 31, 2025
Cash on hand	12 537	25 057
Cash and cash equivalents	**12 537**	**25 057**

Note 8 – Cash, cash equivalents and restricted cash (cont'd)

Restricted cash

		As at September 30, 2026	As at December 31, 2025
Mortgage loan reserve	Walpur property	-	202
Bank loan reserve	Delgado property	-	403
Others		80	79
Non current		**80**	**684**
Mortgage loan reserve	Walpur property	81	-
Capex reserve	Trio property	-	51
Bank loan reserve	Gaia property	725	322
Bank loan reserve	Delgado property	403	-
Current		**1 209**	**373**
Restricted cash		**1 289**	**1 057**

Note 9 – Asset held for sale

		As at September 30, 2026	As at December 31, 2025
Investment property	Trio property	-	15 797
Total assets held for sale		**-**	**15 797**

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 ($15,798).

On January 30, 2026, the REIT completed the sale of Trio. The REIT incurred total transaction costs of €322 ($517) including €198 ($318) in fees paid to related parties comprising €100 ($161) in broker fees paid to Advenis Germany and €98 ($157) in disposition fees paid to Inovalis SA. These transaction costs are included in the Loss on disposal of investment properties line item in the statement of profit and loss.

Concurrently with the closing of the sale, the senior lender agreed to partially forgive the outstanding mortgage, in the amount of €10,600 ($17,020). The REIT recognized a gain on loan forgiveness of the above-mentioned amount in its condensed interim consolidated financial statements for the nine-month period ended September 30, 2026.

Note 10 – Mortgage loans and lease liabilities

Mortgage loans and lease liabilities consist of the following:

Entity	Interest rate	Maturity	Total	Non-current	Current
Mortgage loan - Walpur Four	12%	12/11/2026	9 792	-	9 792
Mortgage loan - Gaia Nanterre SCI	1.91%	27/03/2027	35 330	-	35 330
Mortgage loan - Cancorp Vegacinco	1.99%	31/03/2027	22 973	-	22 973
Mortgage loans			**68 095**	**-**	**68 095**
Lease liabilities - Arcueil SCI	Euribor 3M + 2.20%	08/07/2027	49 431	-	49 431
Lease liabilities - Metropolitain SCI	Euribor 3M + 1.84%	18/03/2031	52 092	49 336	2 756
Lease liabilities			**101 523**	**49 336**	**52 187**
Total mortgage loans and lease liabilities			**169 618**	**49 336**	**120 282**

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 - Metropolitain 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**

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

	As at September 30, 2026		As at December 31, 2025	
	Carrying value	Minimum payments	Carrying value	Minimum payments
Within 1 year	**68 095**	**68 577**	42 623	43 310
After 1 year, but not more than 5 years	-	-	57 993	58 507
More than 5 years	-	-	-	-
	68 095	**68 577**	**100 616**	**101 817**
Less : future interest costs	-	**(482)**	-	(1 201)
Total mortgage loans	**68 095**	**68 095**	**100 616**	**100 616**

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

	As at September 30, 2026		As at December 31, 2025	
	Carrying value	Minimum lease payments	Carrying value	Minimum lease payments
Within 1 year	**52 187**	**55 185**	12 999	15 931
After 1 year, but not more than 5 years	**49 336**	**55 824**	50 607	58 986
More than 5 years	-	-	40 075	40 298
	101 523	**111 009**	**103 681**	**115 215**
Less : future interest costs	-	**(9 486)**	-	(11 534)
Total lease liabilities	**101 523**	**101 523**	**103 681**	**103 681**

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

Arcueil deferred amortization plan

Pursuant to two amendments to the loan agreement, the senior lender financing the Arcueil lease liability contract granted a two-year amortization deferral, which expired in July 2026. Negotiation is ongoing to further extend this deferral agreement to include the unpaid Q3 2026, representing $4,037 (interest and amortization) and remaining future instalments until closing of the sale of the property.

Note 11 – Exchangeable securities

	Exchangeable securities	
Exchangeable securities issued and outstanding	**Number of Exchangeable securities**	**Carrying amount of Exchangeable securities**
Balance - December 31, 2024	**392 892**	**385**
Net change in fair value of exchangeable securities	-	31
Balance - December 31, 2025	**392 892**	**416**
Net change in fair value of exchangeable securities	-	**(57)**
Impact of foreign exchange	-	**(88)**
Balance - September 30, 2026	**392 892**	**271**

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. Such interest payments ceased in March 2025.

Note 12 – Trade and other payables

	Note	As at September 30, 2026	As at December 31, 2025
Trade payables		**4 716**	**4 028**
Trade payables		**4 716**	**4 028**
Other payables		**244**	1 676
Distributions payable		**-**	1 525
Distributions payable - Inovalis SA		**-**	17
VAT payable		**1 461**	1 289
Other payables		**1 705**	**4 507**
Total trade and other payables		**6 421**	**8 535**

Note 13 – Provisions

As at September 30, 2026, provisions included €172 ($278) related to the Arcueil property, unchanged from December 31, 2025.

Note 14 – Revenue from investment properties

Revenue from investment properties consists of the following:

	For the three months ended September 30, 2026	For the three months ended September 30, 2025	For the nine months ended September 30, 2026	For the nine months ended September 30, 2025
Regular rents	**2 624**	4 490	**8 098**	13 305
Rent free periods (lease incentives)	**399**	(110)	**672**	(268)
Rental income	**3 023**	4 380	**8 770**	13 037
Property operating cost recoveries	**798**	1 292	**2 420**	3 803
Total revenue	**3 821**	**5 672**	**11 190**	**16 840**

The property operating cost recoveries were as follows:

	For the three months ended September 30, 2026	For the three months ended September 30, 2025	For the nine months ended September 30, 2026	For the nine months ended September 30, 2025
Property taxes	**257**	401	**815**	1 162
Insurance	**14**	95	**63**	134
Property management fees	**76**	143	**204**	483
Utilities and other cost recoveries	**450**	653	**1 337**	2 024
Property operating cost recoveries	**798**	**1 292**	**2 420**	**3 803**

Note 15 – Expenses

Property operating costs consist of the following:

	For the three months ended September 30, 2026	For the three months ended September 30, 2025	For the nine months ended September 30, 2026	For the nine months ended September 30, 2025
Property tax expenses	**(125)**	**(141)**	**(3 253)**	(4 024)
Insurance expenses	**(49)**	**(206)**	**(204)**	(359)
Property management fees	**(113)**	**(184)**	**(315)**	(620)
Utilities and other costs	**(699)**	**(677)**	**(2 791)**	(3 249)
Total property operating costs	**(986)**	**(1 208)**	**(6 564)**	**(8 252)**

In accordance with IFRIC 21, the REIT recognizes the full amount of annual property tax liabilities at the point in time when the realty tax obligation is imposed. For the nine months ending September 30, 2026, the amount recognized was $753 (2025 - $909).

General and administrative expenses consisted of the following:

	For the three months ended September 30, 2026	For the three months ended September 30, 2025	For the nine months ended September 30, 2026	For the nine months ended September 30, 2025
Asset management fees	**(380)**	(447)	**(1 022)**	(1 391)
Less : amount invoiced to joint ventures	**321**	319	**960**	932
	(59)	(128)	**(62)**	(459)
Professional fees for accounting, tax and audit	**(506)**	(504)	**(1 655)**	(1 489)
Legal expenses	**(129)**	(124)	**(452)**	(390)
Trustee fees	**(88)**	(52)	**(390)**	(205)
Travel expenses	**(98)**	(139)	**(416)**	(357)
Governance expenses	**(35)**	(44)	**(199)**	(201)
Bank and depositary fees	**(50)**	(78)	**(182)**	(195)
Listing, transfer agent and publication fees	**(12)**	(13)	**(100)**	(41)
Other general and administrative expenses	**(104)**	-	**(389)**	(466)
Total general and administrative expenses	**(1 081)**	**(1 082)**	**(3 845)**	**(3 803)**

Note 16 – Finance costs and finance income

	For the three months ended September 30, 2026	For the three months ended September 30, 2025	For the nine months ended September 30, 2026	For the nine months ended September 30, 2025
Interest costs related to mortgage loans	**(619)**	(1 301)	**(1 875)**	(3 371)
Interest costs related to lease liabilities	**(1 099)**	(807)	**(2 828)**	(2 653)
Other finance costs	**(4)**	(237)	**(66)**	(451)
Amortization of transaction costs on mortgage loans	**(81)**	74	**(256)**	(55)
Finance costs	**(1 803)**	**(2 271)**	**(5 025)**	**(6 530)**
Finance income from joint venture loans	**775**	775	**2 326**	**2 255**
Other finance income	**333**	1	**17 469**	**30**
Finance income	**1 108**	**776**	**19 795**	**2 285**

For the closing of Trio property sale, the senior lender agreed to partially forgive the outstanding mortgage, in the amount of €10,600 ($17,020) presented in “other finance income”.

Note 17 – Trust units

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

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

Special Voting Units have no economic entitlement in the REIT but entitle the holder to one vote per Special Trust Unit at any meeting of the unitholders of the REIT. Special Voting Units may only be issued in connection with or in relation to Exchangeable Securities (see Note 11 – Exchangeable Securities) for the purpose of providing voting rights with respect to the REIT to the holders of such securities. As of September 30, 2026, 392,892 Special Voting Units were issued and outstanding (December 31, 2025 – 392,892).

Note 18 – Accumulated other comprehensive income

	As at September 30, 2026	As at December 31, 2025
Net unrealized gain on derivatives designated as a hedge of the net investment in foreign entities	**2 816**	2 816
Change in ownership	**(167)**	-
Cumulative translation adjustment account	**27 095**	27 040
Accumulated other comprehensive income	**29 744**	**29 856**

Change in cumulative translation adjustment account was $106 of which $51 was attributable to minority interest.

On July 24, 2026, the REIT, through its subsidiary CanCorp Europe, acquired the 5.9% minority interest in the three CanCorp Trio entities, consequently to the disposal of their assets on January 30, 2026.

Note 19 - Unit-based compensation plan

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

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

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

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

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.

	As at September 30, 2026	As at December 31, 2025
Outstanding at beginning of period	**252,204**	157,240
Elected DU	-	67,160
Exercised	**(252,200)**	(96,127)
ADUs earned	-	123,931
Forfeited	**(4)**	-
Outstanding at end of period	**-**	**252,204**

As of September 30, 2026, no more DSUs are outstanding and 252,200 DSUs were exercised during the nine-month period.

The total liability related to the DSU plan as of September 30, 2026, was nil (2025: $161).

Note 20 – Transactions with related parties

Inovalis SA – Asset manager

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

Unless otherwise stated, none of these transactions incorporated special terms and conditions. The amended management agreement allows for the management fees to be settled quarterly through the issuance of either exchangeable securities or in cash. During the nine months ended September 30, 2026, the management fees were settled fully in cash.

Inovalis and its subsidiaries	Financial statement line item	Note	For the three months ended September 30, 2026	For the three months ended September 30, 2025	For the nine months ended September 30, 2026	For the nine months ended September 30, 2025
Expenses						
Asset management fees	Administration expenses	*A*	**(59)**	(128)	**(62)**	(459)
Facilities management fees	Service charge expenses		**(33)**	(75)	**(116)**	(260)
Property management fees	Service charge expenses	*B*	**(113)**	(181)	**(315)**	(620)
Letting fees invoiced	Service charge expenses		**(0)**	(21)	**(181)**	(92)
less portion accounted for over the lease term	Service charge expenses		**16**	(13)	**(137)**	(77)
Reimbursment of travel expenses	Administration expenses		**(97)**	(213)	**(416)**	(357)
Trustee fees	Administration expenses	*C*	**(88)**	(52)	**(390)**	(205)
			(375)	**(683)**	**(1 617)**	**(2 070)**

(A) *Asset management fees of $1,022 and $1,392 for the nine months ended September 30, 2026, and 2025 respectively, correspond to the asset management fees earned for the entire portfolio, including $960 and $932 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.*

(C) *Trustees' fees are incurred independently and are not linked to Inovalis SA.*

		Due from (to) Inovalis SA	
Inovalis and its subsidiaries	**Note**	**As at September 30, 2026**	**As at December 31, 2025**
Assets			
Trade and other receivables	*7*	**887**	568
		887	**568**
Liabilities			
Interest-bearing loan		**79**	231
Lease equalization loans		**-**	-
Distributions payable	*11*	**-**	17
Exchangeable securities	*11*	**271**	416
		350	**664**

On January 30, 2026, the REIT completed the disposition of the Trio property. In conjunction with the sale, the REIT incurred disposition fees totaling €98 ($157) paid to Inovalis SA. Additionally, the REIT paid a portion of broker fees totaling €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.

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

Joint ventures

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

	Financial statement line item	Note	For the three months ended September 30, 2026	For the three months ended September 30, 2025	For the nine months ended September 30, 2026	For the nine months ended September 30, 2025
Management fees invoiced to joint ventures	Administration expenses		**(321)**	(319)	**(960)**	(932)
Facilities management fees	Service charge expenses		**(15)**	(17)	**(51)**	(51)
Property management fees	Service charge expenses		**(5)**	(58)	**(159)**	(237)
Letting fees invoiced	Service charge expenses		**(6)**	(22)	**(6)**	(22)
less portion accounted for over the lease t	Service charge expenses		**(5)**	(16)	**(5)**	(16)
Finance income	Finance income		**968**	775	**2 326**	2 255
			616	**343**	**1 145**	**997**

	Financial statement line item	As at September 30, 2026	As at December 31, 2025
Assets			
Loan receivable	Investments accounted for using the equity method	**21 637**	21 683
Interest receivables	Other financial assets - current	**9 839**	3 916
		31 476	**25 599**
Liabilities			
Balance of sale payable	Trade and other payables	**596**	**554**
		596	**554**

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

Remuneration of key management personnel

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

	For the three months ended September 30, 2026	For the three months ended September 30, 2025	For the nine months ended September 30, 2026	For the nine months ended September 30, 2025
Wages, fees and other benefits	(88)	(52)	(390)	(205)
	(88)	**(52)**	**(390)**	**(205)**

Note 21 – Financial instruments and risk management

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

	As at September 30, 2026		
	Level 2	**Level 3**	**Total**
Investment properties	-	272 104	**272 104**
Exchangeable securities	(271)	-	**(271)**

	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)**

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

Fair value of financial assets and liabilities

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

(a) Mortgage loans

Mortgage loans are carried at amortized cost using the effective interest rate method of amortization. The estimated fair values of long-term borrowings are based on market information, where available, or by discounting future payments of interest and principal at estimated interest rates expected to be available to the REIT as at September 30, 2026.

The fair value of the mortgage loans has been determined by discounting the cash flows of these financial obligations using September 30, 2026, market rates for debts of similar terms (Level 2). Based on these assumptions, the fair value as of September 30, 2026, of the mortgage loans has been estimated at $66,347 (December 31, 2025 – $99,153) compared with the carrying value before deferred financing costs of $68,095 (December 31, 2025 – $100,616). The fair value of the mortgages payable varies from the carrying value due to fluctuations in interest rates since their issue.

(b) Exchangeable Securities

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

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.

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

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 increase in bank lending rates, notably in France, may negatively affect real estate valuations by reducing debt affordability and the availability of leverage for potential investors. Higher financing costs generally result in lower acquisition prices that investors are willing to pay in order to achieve their target returns. This may reduce transaction volumes and market liquidity and could ultimately lead to downward adjustments in the fair value of the REIT's investment properties. Political uncertainty and social tensions in France may further reduce investor demand and market liquidity and have a similar effect.

Currency risk

The REIT operates in France, Germany and Spain, and the functional currency for these operations is the Euro. The REIT's distributions are paid to unitholders in Canadian dollars. Thus, the cash available for distribution to unitholders could be adversely impacted by currency variations.

Liquidity Risk

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

Specifically, as of September 30, 2026, current liabilities for the REIT exceeded current assets by $109,717 (December 31, 2025 - $39,326). The REIT is actively managing its liquidity risk with respect to these loans as follows:

A. **Gaia Loan –** The $35,330 mortgage loan financing the Gaia property matures on March 27, 2027. Management is in ongoing discussions with the lender regarding the reletting or disposition strategy for the property, which has a 80% projected vacancy rate. Based on discussions held to date, management is confident securing an extension of the loan at maturity. As of September 30, 2026 and since December 31, 2024, the LTV and ICR covenants of this loan were not respected, triggering a cash trap mechanism under which distributions to shareholders are frozen and the excess available cash, after property operating costs, administrative costs and debt service payment should be allocated to a cash reserve account, pledged in favour of the lender. This breach does not trigger any requirement for early repayment.

B. **Walpur Loan –** The 18-month mezzanine loan of €5,600 ($9,792) bears interest at 12% (6% paid quarterly and 6% at maturity) matures on November 12, 2026. Management has already initiated negotiation and is assessing a one-year extension term sheet with the objective to ultimately refinance this mezzanine loan with conventional financing, depending on progress on the reletting strategy.

C. **Delgado Loan –** The $22,972 mortgage loan financing the Delgado property matures on March 31, 2027. Given the full occupancy of the property, Management is confident in extending the maturity of this loan or alternatively to sell the property before maturity, based on building's criteria and the current dynamism of the Spanish real estate market.

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

D. **Arcueil – Amortization deferral**. The $49,431 lease liabilities financing the Arcueil property benefited from an amortization deferral agreement from the lender that expired in July 2026. Management is in continuous negotiation with the financing bank to obtain an extension of this agreement until sale, anticipated in Q1 2027, supported by the progress on the building permit approval, which was obtained subsequent to the quarter-end, in November 2026.

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

See Note 4 for key judgements made by management and Note 4, section Going Concern Analysis for further details

Fair value of financial assets and liabilities

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

As at September 30, 2026	Fair value hierarchy level	Carrying amount	Fair value
Financial assets			
Loans to joint ventures	3	21 637	21 637
Financial liabilities			
Mortgage loans	2	68 095	66 347
Tenant deposits	2	2 366	2 366

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

Note 22 – Cash flow information

	Note	For the nine months ended September 30, 2026	For the nine months ended September 30, 2025
Adjustments for non-cash items and other reconciling items:			
Decrease in rent-free period	5	**(595)**	191
Net change in fair value of investment properties	5	**4,712**	6,360
Net change in fair value of exchangeable securities		**(57)**	(71)
Finance income	16	**(19,541)**	(2,285)
Finance costs	16	**5,025**	6,530
Share of net loss/profit from investments in joint venture	6	**6,924**	1,887
Foreign exchange gain		**-**	(68)
		(3,532)	**12,544**
Working capital adjustments			
Decrease (increase) in trade and other receivables		**1,002**	2,347
Increase (decrease) in tenant deposits		**222**	(295)
Decrease (increase) in trade and other payables		**(2,414)**	(1,907)
		(1,190)	**145**

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

Liabilities	As at December 31, 2025	Cash flows - repayment	Interest capitalized	Loan forgivness	Foreign exchange movement	Fair value changes	As at September 30, 2026
Exchangeable securities	416	-	-	-	(88)	(57)	**271**
Mortgage loans	100,616	(15,441)		(17,020)	(60)	-	**68,095**
Lease liabilities	103,681	(2,197)	-	-	39	-	**101,523**

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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