inovalis REIT

Management's Discussion & Analysis

September 30, 2026





Contents

Letter to Unitholders 1
Highlights 2
Basis of Presentation 4
Forward-Looking Information 4
Non-GAAP Financial Measures and Other Measures 6
Market and Industry Data 6
Foreign Currency Environment 7
Outlook 8
Portfolio Overview 9
Occupancy and Leasing Activity 11
Lease Maturities 12
Discussion of Financial Performance 12
Non-GAAP Financial Measures and Other Measures 12
FFO and AFFO Calculation 15
Overview - GAAP and Non-GAAP 16
Consolidated Financial Information 17
Capital Management 23
Financial Instruments 29
Quarterly Information - Last Eight Quarters 32
Related party transactions 32
Investment in Joint Ventures, Reconciliation 33
Risks and Uncertainties 36
Critical Accounting Policies and Estimates 46
Disclosure Controls and Procedures and Internal Controls Over Financial Reporting 46

All amounts in the MD&A (as defined herein) are presented in thousands of Canadian dollars or Euros, except rental rates, per unit amounts or as otherwise stated. Information contained in this MD&A is based on information available to management as of November 13, 2026.



Letter to Unitholders

The REIT continues to advance its asset recycling strategy while addressing financing and operational priorities within a challenging European office market, which remains affected by global volatility.

The completed disposition of Trio and the exchange contract for the sale of Delizy, scheduled to close in Q3'27, demonstrate progress toward portfolio simplification and balance sheet strengthening.

The building permit for the Arcueil property was granted on November 4, bringing the REIT closer to completing the disposition. As a customary two- to three-month period must elapse for appeal rights to expire, closing is now scheduled for the first quarter of 2027, subject to the satisfaction of the remaining closing conditions.

The REIT sector continues to encounter challenging market conditions impacted by the prolonged recovery from the pandemic, the conflicts in Ukraine and Iran, and rising interest rates. Shifts in office demand and tenant requirements, combined with financing constraints and uncertainty regarding property valuations, continue to impede leasing activity and transaction volumes.

These conditions have extended the time required to complete asset sales and stabilize occupancy, underscoring the necessity of prudent financial management and a measured approach to executing the REIT's strategy.

Management continues to pursue the disposition of mature assets while prioritizing leasing activity and tenant retention across the portfolio. Progress remains gradual, reflecting the time required to advance transactions and address property-level challenges in the current market.

Balance sheet management remains a priority, with ongoing attention to debt maturities, lending arrangements, and liquidity. Management maintains a disciplined approach to capital allocation and financial obligation management as it works toward completing the planned dispositions.

The Board of Trustees and management remain committed to the consistent execution of the REIT's strategy, prioritizing value preservation and the portfolio's financial and operational objectives.

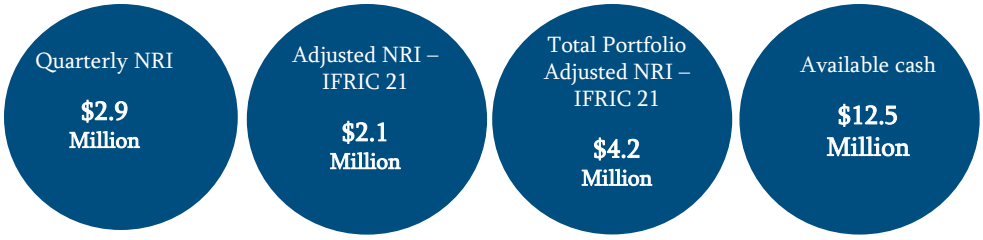
On behalf of the Board of Trustees and the management team, I thank you for your continued confidence, support, and patience.

Stephane Amine

President and Chief Executive Officer

Inovalis Real Estate Investment Trust

Q3 2026



Highlights

Net Rental Income

For the portfolio that includes assets owned entirely by the REIT ("IP Portfolio"), Q3 2026 Net Rental Income ("NRI") was $2,861 (€1,779) compared to $3,701 (€2,367) for Q3 2025. The decrease was primarily attributable to the sale of the Trio property in January 2026 as the property was 73% leased until December 2025. The negative impact of the Trio sale was partially offset by the absence in 2026 of the Baldi property, which was vacant and made a negative contribution to NRI in Q3 2025 prior to its disposition in December 2025.

In Q3 2026, NRI, adjusted for IFRIC 21 for the portfolio that includes the REIT's proportionate share in joint ventures ("Total Portfolio"), was $4,229 (€2,630), in decrease compared to $5,101 (€3,263) for Q3 2025. The decrease reflects the above factors on the IP Portfolio and a $118 decrease in the REIT's share of joint venture NRI ($2,234 compared to $2,352 for Q3 2025). For the nine months ended September 30, 2026, the REIT's share of joint venture NRI increased by $471, notably reflecting the leasing of 20% vacant space in the Neu-Isenburg property since Q4 2025.

Leasing Operations

As of September 30, 2026, the REIT's IP Portfolio occupancy was 38.2%, and 55.7% for the REIT's Total Portfolio. Strategic vacancy continues to be maintained in the Arcueil and Delizy properties in support of the dispositions which, for both properties, are currently under exchange contracts as outlined in the Asset Recycling Plan. Excluding Arcueil and Delizy, the Total Portfolio occupancy rate was 82% at September 30, 2026.

On the Metropolitain property, a 6-year firm extension was signed over 18,800 sq.ft. office space, improving the property's WALT from 5.4 to 6.7 years (WALB from 3.2 to 3.8 years).

Prospective tenants have been identified, particularly for the Bad Homburg property. If these leasing opportunities result in executed leases, occupancy at the property and across the portfolio could increase significantly.

Asset Recycling Plan

The REIT is progressing toward the Q1 2027 closing of the sale of 87.5% of the Arcueil property for $60,537 (€37,540) which is conditional upon the issuance of a building permit. The building permit was obtained subsequent to quarter-end, in November 2026, triggering a customary period for the expiry of appeal rights. Marketing efforts are ongoing for the remaining 12.5% interest in the property which is dedicated to office tenants.

Refer to the "Portfolio Overview - Asset Recycling Plan" section of this MD&A for more detailed discussion.

Preliminary exchange contract for the Delizy property

During Q3, on July 28, 2026, the REIT signed preliminary exchange contracts with three developers for the disposition of the Delizy property located in the north of Paris at a sale price of $28,067 (€17,405). The transaction is anticipated to close in Q3 2027 to provide time to address sale conditions. 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.

Capital Market Considerations

European real estate markets continued to face a challenging operating environment in Q3 2026. Renewed inflationary pressures and the resulting increases in European Central Bank policy rates in June and September 2026, higher financing costs relative to prior cycles, limited market liquidity, and ongoing geopolitical uncertainty continued to weigh on investment activity and asset valuations.

Unitholders' equity was $139,683 (€86,620) as at September 30, 2026. Book value per Unit was $4.17 ($4.13 fully diluted).

Book value per Unit is derived from IFRS carrying values and is not an estimate of the amount that would be realized on a sale of the REIT's properties or of the REIT, or of the amount available for distribution to Unitholders. Readers should consider book value per Unit with caution. See "Risks and Uncertainties – Book Value per Unit May Not Reflect Amounts Realizable by Unitholders".

In the current market, the REIT remains focused on a balanced debt and cash structure. At September 30, 2026, debt to gross book value, net of cash, was 59.8% for the Total Portfolio and 50.1% for the IP Portfolio.

Management continues to evaluate capital allocation decisions through the lens of value per transaction and sustainable leverage reduction.

Liquidity and Capital Position

As at September 30, 2026, REIT's cash position (excluding restricted cash) was $12,537 compared to $25,057 as at December 31, 2025. Available liquidity is expected to be used to service senior debt including interest and amortization, fund tenant improvements to advance leasing activity, and address tax-related obligations, subject to the outcome of an ongoing appeal.

In addition to available cash, the REIT held $1,289 in restricted cash at September 30, 2026, which may be applied toward partial deleveraging in advance of loan extensions or upon property dispositions. The REIT also held $4,207 of cash within assets held in joint venture, including $1,709 of restricted cash established in connection with debt refinancing intended to support lender requirements, capital expenditures and leasing incentives. In September, $1,970 (€1,222) of the restricted cash was allocated to debt, pursuant to the mortgage loan extension of the Kosching property.

Funds From Operations and Adjusted Funds From Operations[1]

In the calculation of FFO for the nine months ended September 30, 2026, $17,020 in non-recurring finance income recognized in Q1 2026 in relation to the Trio disposition has been excluded. FFO and AFFO per Unit for Q3 2026 were $0.00 and $(0.01) respectively, reflecting the current occupancy level and borrowing costs.

Refer to the "Non-GAAP Financial Measures and Other Measures" section of this MD&A for a more detailed discussion on FFO and AFFO.

Financing Activity

The REIT is financed almost exclusively with asset-level, non-recourse financing with an average term to maturity of 1.8 years for the IP Portfolio (1.6 years for the Total Portfolio).

Management continues to execute its broader financing strategy, which includes a combination of asset dispositions, debt repayment and refinancing initiatives. A number of mortgage facilities mature over the next 12 months, and management is actively engaged with its lending partners to extend or refinance these facilities on commercially reasonable terms while minimizing deleveraging requirements.

For the three months ended September 30, 2026, the weighted average interest rate across the Total Portfolio was 3.95%. As at September 30, 2026, 63% of the REIT's Total Portfolio debt was subject to variable interest rates, primarily associated with short-term financing or on properties currently being marketed for sale.

1. FFO and AFFO are non-GAAP measures. See the section *"Non-GAAP Financial measures and Other Measures"* for more information on the REIT's Non-GAAP financial measures. A reconciliation of FFO and AFFO to Net Income can be found under the "Non-GAAP Financial measures and Other Measures".

Management's Discussion and Analysis

Basis of Presentation

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Inovalis Real Estate Investment Trust (the "REIT") should be read in conjunction with the REIT's unaudited condensed consolidated financial statements as at and for the three and nine months ended September 30, 2026, and 2025, and the notes thereto, prepared in accordance with International Financial Reporting Standards ("IFRS") and notably with International Accounting Standards ("IAS") 34 : Interim Financial Reporting.

Dollar amounts in this MD&A are presented in thousands of Canadian dollars and Euros, except rental rates, per unit amounts or as otherwise stated. Historical results, including trends which might appear in this MD&A, should not be taken as indicative of future operations or results. See "Forward-Looking Information" for further details. Information contained in this MD&A, including forward-looking information, is based on information available to management as of November 13, 2026. Additional information about Inovalis REIT has been filed with applicable Canadian securities regulatory authorities and is available at www.sedarplus.ca.

Forward-Looking Information

Certain statements contained, or contained in documents incorporated by reference, in this MD&A constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to the REIT's future outlook and anticipated events or results and may include statements regarding the future financial position, distributions, business strategy, budgets, occupancy rates, rental rates, productivity, projected costs, capital investments, development and development opportunities, financial results, taxes, plans and objectives of or involving the REIT. Particularly, statements regarding the REIT's future results, performance, achievements, prospects, costs, opportunities, and financial outlook, including those relating to acquisition and capital investment strategies and the real estate industry generally, are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or the negative thereof, or other similar expressions concerning matters that are not historical facts. Forward-looking statements are based on certain factors and assumptions regarding expected growth, results of operations, performance, and business prospects and opportunities.

Although management believes that the expectations reflected in the forward-looking information are reasonable, no assurance can be given that these expectations will prove to be correct, and since forward-looking information inherently involves risks and uncertainties, undue reliance should not be placed on such information.

Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such forward-looking statements. The estimates and assumptions, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth in this document as well as the following:

- the ability to obtain an amortization deferral until disposal and to successfully complete the divestment of the Arcueil and Delizy properties;
- the ability to continue to obtain re-financing for four properties on acceptable terms;
- the future level of indebtedness and the REIT's future growth potential will remain consistent with current expectations;
- there will be no changes to tax laws adversely affecting the REIT's financing capability, operations, activities, or structure;
- the REIT will retain and continue to attract qualified and knowledgeable personnel to manage the portfolio and business;

- the impact of the current economic and political climate and the current global financial conditions on operations, including the REIT's financing capability and asset value, will remain consistent with current expectations;
- there will be no material changes to government and environmental regulations that could adversely affect operations;
- conditions in the international and, in particular, the French, German, Spanish and other European real estate markets, including competition for acquisitions and the market for dispositions, will be consistent with past conditions; and
- the demand for the REIT's properties and global supply chains and economic activity in general.

The REIT cautions that this list of assumptions is not exhaustive. Although the forward-looking statements contained in this MD&A are based upon assumptions that management believes are reasonable based on information currently available to management, there can be no assurance that actual results will be consistent with these forward-looking statements.

When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties. Forward-looking statements should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not, or the times at or by which, such performance or results will be achieved. A number of factors could cause actual results to differ, possibly materially, from the results discussed in the forward-looking statements, including, but not limited to:

- the REIT's ability to execute its asset recycling, and capital deployment strategies;
- the impact of changing conditions in the European office market;
- the marketability and value of the REIT's portfolio;
- changes in the attitudes, financial condition and demand in the REIT's demographic markets;
- the political environment in the REIT’s demographic markets;
- social tensions and political uncertainty in France;
- fluctuation in interest rates and volatility in financial markets;
- the REIT's ability to extend or refinance maturing debt on acceptable terms, and the extent to which amounts realized on the disposition of properties are less than their book values;
- the geopolitical conflicts around the world on the REIT's business, operations and financial results;
- general economic conditions, including any continuation or intensification of the current economic conditions;
- developments and changes in applicable laws and regulations; and
- such other factors discussed under *“Risks and Uncertainties”* in this MD&A.

If any risks or uncertainties with respect to the above materialize, or if the opinions, estimates or assumptions underlying the forward- looking statements prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking statements. The opinions, estimates or assumptions referred to above and described in greater detail under *“Risks and Uncertainties”* should be considered carefully by readers. Although management has attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other risk factors not presently known or that management believes are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking statements.

Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Certain statements included in this MD&A may be considered a “financial outlook” for purposes of applicable Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other than this MD&A. All forward-looking statements are based only on information currently available to the REIT and are made as of the date of this MD&A. Except as expressly required by applicable Canadian securities law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All forward-looking statements in this MD&A are qualified by these cautionary statements.

Non-GAAP Financial Measures and Other Measures

There are financial measures included in this MD&A that do not have a standardized meaning under IFRS. These measures include funds from operations, adjusted funds from operations, and other measures presented on a proportionate share basis. These measures have been derived from the REIT's financial statements and applied on a consistent basis as appropriate. Management includes these measures as they represent key performance indicators to management, and it believes certain investors use these measures as a means of assessing relative financial performance. These measures, as computed by the REIT, may differ from similar computations as reported by other entities and, accordingly, may not be comparable to other such entities. These measures should not be considered in isolation or used as a substitute for other measures of performance prepared in accordance with IFRS. Additional information regarding these non-GAAP measures, including definitions and reconciliations to the most directly comparable GAAP figure, where applicable, can be found in the section *"Discussion of Financial Performance - Non-GAAP Financial Measures and Other Measures"* in this MD&A.

Market and Industry Data

This MD&A includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information, as well as industry data prepared by Inovalis S.A. based on its knowledge of the commercial real estate industry (including Inovalis S.A. estimates and assumptions relating to the industry based on that knowledge). Inovalis S.A.'s management has knowledge of the real estate industry developed through its 30 plus years of experience and participation in the industry.

Business Overview and Strategy

The REIT is an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario. The REIT was founded and sponsored by Inovalis S.A, the asset manager. The Units have been listed on the Toronto Stock Exchange under the trading symbol INO.UN since April 10, 2013. The head and registered office of the REIT is located at 151 Yonge Street, 11th floor, Toronto, Ontario, M5C 2W7.

The REIT's objectives are to:

- Manage a portfolio of income producing office properties in France, Germany and Spain;
- Strengthen financial resilience through disciplined asset recycling, cost reductions, and liquidity preservation; and
- Selectively monetize opportunities where fair value can be achieved, while prioritizing leasing and income stability.

The REIT's investment criteria encompass office properties outside of Canada with an occupancy level above 80% (unless AFFO accretive), secured rental cash flows, a property value between €20,000 to €60,000 (unless AFFO accretive) and potential future upside with respect to matters including rent and area development.

Foreign Currency Environment

The REIT's current asset base is located in France, Germany and Spain. 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"). The functional currency of the REIT's subsidiaries and joint ventures is the Euro, whereas the functional currency of the REIT, as well as its presentation currency, is the Canadian dollar. As such, although the REIT's main assets and liabilities are denominated in Euros, the REIT's financial results are translated into Canadian dollars for presentation purposes as follows:

- Assets and liabilities are converted to Canadian dollars at the closing rate at the date of the consolidated balance sheet;
- 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 during the period (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
- 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.

Change in the €/$ foreign exchange rate therefore may have a material impact on the REIT's consolidated financial statements and results.

The exchange rate used throughout this MD&A for statement of earnings items is the average rate during the applicable period, which for the nine-month period ended September 30, 2026, and 2025 was $1.6084 and $1.5634 respectively (2.9% increase).

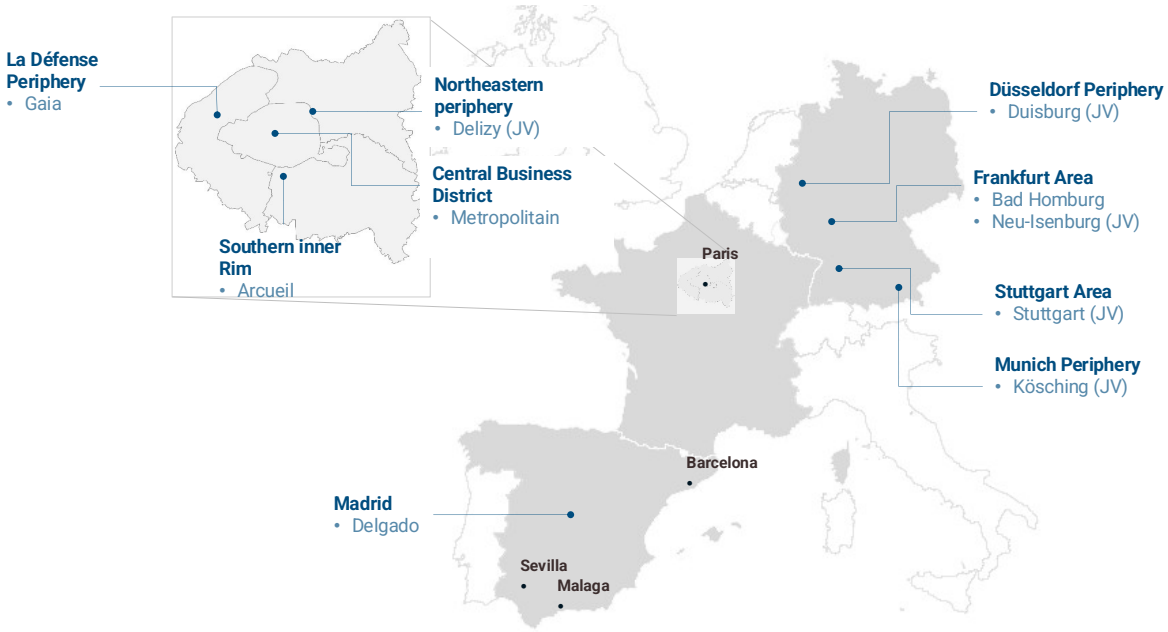
For balance sheet items as at September 30, 2026, projections, or market data, the exchange rate used is $1.6126, stable compared to the $1.6119 closing rate as at December 31, 2025.

Business Environment

The REIT owns varying interests in real estate entities which hold investment properties. Under IFRS, some of these interests are recorded as joint ventures in which the REIT holds equity. As at September 30, 2026, the REIT’s property portfolio consists of ownership interest in five properties that are consolidated and included in "Investment properties" ("IP") on the consolidated balance sheet, and partial ownership interests in five properties that are included within "Investments in joint ventures". As such, the results of these investments in joint ventures are not included in certain of our consolidated financial and operating metrics, unless specifically indicated that such metrics are presented on a "Total Portfolio" basis in which case such results are prepared on a proportionate share basis.

Together, the REIT's share of these 10 properties (4 located in France, 5 located in Germany and 1 in Spain) is approximately 1.2 million square feet of gross leasable area ("GLA").

The assets denoted in the maps below are owned entirely by the REIT except where joint venture (JV) is noted.



Outlook

In the context of the prevailing macroeconomic and political challenges, management's 2026 and 2027 areas of focus are:

- executing the asset recycling plan through the planned dispositions of the Arcueil property (Q1 2027), and the Delizy property (Q3 2027) which is conditional upon the issuance and cure of a building permit;
- managing cash flow to maintain financial flexibility;
- increasing occupancy for the Bad Homburg and Gaia properties, and
- securing mortgage renewals for the REIT's portfolio of properties.

Portfolio Overview

The REIT's Total Portfolio by geographic region as at September 30, 2026 is as follows:

	% owned	Fair value	Bank debt	REIT's Total Portfolio Value	Gross Leaseable Area (GLA) (sq. ft.)	Contribution to Total Portfolio rental revenue	# of tenants	Occupancy rate	WALT (end of lease)	Financing maturity
Metropolitain	100%	105,238	52,092	26%	78,818	28%	6	100.0%	6.7	4.5
Arcueil	100%	66,987	49,431	17%	334,521	0%	0	0.0%	-	0.8
Gaia	100%	37,955	35,330	10%	119,504	9%	3	37.2%	1.3	0.5
Delizy (1)	50%	11,289	10,059	3%	71,620	2%	10	31.0%	2.7	2.9
Subtotal France		**221,469**	**146,912**	**56%**	**604,464**	**38%**	**19**	**24.1%**	**4.0**	**2.2**
Delgado	100%	43,056	22,973	11%	117,274	13%	2	100.0%	6.5	0.5
Bad Homburg	100%	18,867	9,792	5%	109,104	6%	6	45.2%	4.6	0.1
Duisburg (1)	50%	38,783	26,535	10%	110,210	14%	5	97.9%	3.8	0.5
Stuttgart (1)	50%	31,224	19,832	8%	121,416	13%	2	99.6%	2.7	1.4
Neu-Isenburg (1)	50%	21,896	17,361	6%	67,337	8%	7	96.0%	2.9	1.4
Kosching (1)	50%	10,676	8,367	3%	53,058	6%	1	100.0%	1.2	1.4
Subtotal Spain & Germany		**164,502**	**104,860**	**44%**	**578,398**	**62%**	**23**	**88.7%**	**3.9**	**0.9**
Total Portfolio		**385,971**	**251,772**	**100%**	**1,182,862**	**100%**	**42**	**55.7%**	**3.9**	**1.6**
IP Portfolio		**272,104**	**169,618**	**70%**	**759,222**	**54%**	**17**	**38.2%**	**5.4**	**1.8**
JV Portfolio		**113,867**	**82,154**	**30%**	**423,641**	**46%**	**25**	**87.1%**	**2.8**	**1.3**

(1) Represents investments that are classified as joint ventures and subject to equity accounting. The results included in the table above (excluding the number of tenants, occupancy metrics, weighted average lease term and financing maturity) are presented on a proportionate share basis at the REIT's ownership percentage of the related investment.

General portfolio updates

- At the **Gaia property**, the main tenant (31% occupancy) exercised its break option for departure at the end of 2026, one year before its lease expiry. A new lease, effective May 2027, was signed with a public hospital for 12% of the leasable area. Since Q4 2024, the Gaia bank loan has been in breach on both loan-to-value ("LTV") the interest coverage ratio ("ICR") covenants, due to occupancy being below the prescribed level. This has triggered a temporary cash trap provision meaning that cash flows from the property may be applied only to debt service and operating costs, with excess funds deposited into a reserve account until the covenant breach is remedied. As at September 30, 2026, a total of $725 was deposited in the reserve account. Active leasing efforts are underway for the remaining vacant space and alternative redevelopment options are being assessed. The $35,330 mortgage loan matures in March 2027 and, notwithstanding projected occupancy level, management intends to obtain a short-term extension, conditional on marketing the asset.

- At the **Delizy property**, a preliminary exchange contract was signed in July 2026 for the disposition of the property. Closing is anticipated in Q3 2027. Proceeds, net of eviction costs are being used to repay the senior lender and to pay operating costs.

- At the **Bad Homburg** property, management intends to extend for a short period the maturity of the mezzanine facility initially set to November 2026, as leasing activity progresses. A prospective tenant may lease most of the vacant area, which would then require major capex investment related to energy efficiency and renewable energy upgrades. Given the property's low loan-to-value ratio of 48%, based on an external appraisal in Q2 2026, securing new financing could provide access to additional funds for capital expenditures and tenant incentives.

- The **Delgado property** in Spain is fully leased to two blue-chip tenants (6.5-year WALT and 2.0 years including break options). Before year end, the REIT intends to formalize the waiver of the June 2027 and 2029 break options with one tenant, improving the marketability of this property in a dynamic Spanish real estate market.

- Since October 2025, **the Neu-Isenburg property** (96% occupancy; 2.9-year WALT) has been marketed for sale. A potential transaction was recently terminated after the prospective buyer was unable to secure financing. The sale process is expected to be reinitiated, and any net sale proceeds would be used to reduce the mortgage debt secured against the Stuttgart and Kösching properties.

Asset Recycling Plan

Following the sale of the Courbevoie (2022), Sabliere (2025) and Baldi (2025) properties, the current focus is on closing of the sale of the Arcueil property.

In connection with an exchange contract relating to the sale of an 87.5% interest in the Arcueil property for $60,537 (€37,540), as previously announced in January 2025, progress continues toward closing in Q1 2027 to accommodate administrative processing timelines on the building permit issuance. Subsequent to the quarter-end, in November 2026, the building permit was obtained, triggering a customary period for the expiry of appeal rights. The remaining 12.5% interest in the Arcueil office property is being marketed. Following advanced negotiations and discussions with the senior lender for the Arcueil property, scheduled debt amortization was suspended from Q2 2024 to Q2 2026, deferring approximately $4,200 of annual lease liability principal payments. 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.

Tenant Profile

As at September 30, 2026, the REIT had 17 tenants across the IP Portfolio compared to 27 tenants as at December 31, 2025, and 42 tenants across the Total Portfolio (57 as at December 31, 2025). The decrease in the number of tenants reflects the January 2026 disposition of the Trio property (seven tenants), eviction proceedings initiated at Delizy as part of the property's sale process and at Gaia in respect of two tenants with rental arrears, early tenant departures and continued vacancy.

All lease contracts in France, Germany and Spain have rental indexation. In France, this is based on the Construction Costs Index (Indice du Coût de la Construction "ICC"), the average Tertiary Activities Rent Index (Indice des Loyers des Activités Tertiaires "ILAT"). The Consumer Price Index - CPI, or the German or Spanish Consumer Price Index provides for rent indexation in those jurisdictions. Rent is increased annually to reflect the rising cost of living which protects returns to Unitholders.

Investment Property Portfolio

The following table shows the five largest tenants across the Investment Property Portfolio as at September 30, 2026. The tenant base is well diversified by industry segment, with some national and multinational tenants.

Tenant in the IP Portfolio	Property	Tenant Sector	% of annual contractual rental revenue	Occupied space (sq. ft.)	% of Total Areas	Average remaining lease term (years)
ITP Aero	Delgado	Aeronautics	12%	59,159	7.8%	8.3
Indra	Delgado	IT systems	11%	58,115	7.7%	4.8
Bureau Veritas	Gaia	Consulting and Advisory	14%	36,584	4.8%	0.3
Ameropa	Bad Homburg	Travel agency	5%	21,105	2.8%	5.3
Come &Work	Metropolitain	Coworking	16%	18,808	2.5%	9.0
Top 5 tenants			**57%**	**193,771**	**25.6%**	**5.4**
Other tenants		Diversified	43%	96,054	12.6%	5.3
Total occupied space			**100%**	**289,825**	**38.2%**	**5.4**
Vacant				469,397	61.8%	
IP Portfolio				**759,222**	**100.0%**	

The tenant Bureau Veritas in the Gaia property has exercised its break option effective December 31, 2026, one year before its lease term.

Total Portfolio

The following table shows the REIT's five largest tenants across the Total Portfolio at September 30, 2026 , including interests that the REIT has in properties held in joint ventures.

Tenant in the Total Portfolio	Property	Tenant Sector	% of annual contractual rental revenue	Occupied space (sq. ft.)	% of Total Areas	Average remaining lease term (years)
Daimler Truck	Stuttgart	Automotive	12%	117,431	9.9%	2.7
ITP Aero	Delgado	Aeronautics	7%	59,159	5.0%	8.3
Indra	Delgado	IT systems	6%	58,115	4.9%	4.8
Hitachi Power	Duisburg	Manufacturer	6%	54,354	4.6%	1.3
Cariad SE	Kösching	Automotive	6%	53,058	4.5%	1.2
Top 5 tenants			**37%**	**342,117**	**28.9%**	**3.5**
Other tenants		Diversified	63%	316,549	26.8%	4.3
Total occupied space			**100%**	**658,666**	**55.7%**	**3.9**
Vacant				524,196	44.3%	
Total Portfolio				**1,182,862**	**100.0%**	

Occupancy and Leasing Activity

The change in occupancy and leasing activity in the IP Portfolio by geographic region for the period ended September 30, 2026 was as follows:

	Occupied space (sq. ft.)					
IP Portfolio	January 1, 2026	Acquisition / Disposition	New leases	Lease Expiries	September 30, 2026	Occupancy rate
France	147,486	-	9,052	(33,300)	123,238	23.1%
Germany	189,906	(140,594)	-	-	49,312	45.2%
Spain	117,274	-	-	-	117,274	100.0%
Total IP Portfolio	**454,666**	**(140,594)**	**9,052**	**(33,300)**	**289,823**	**38.2%**

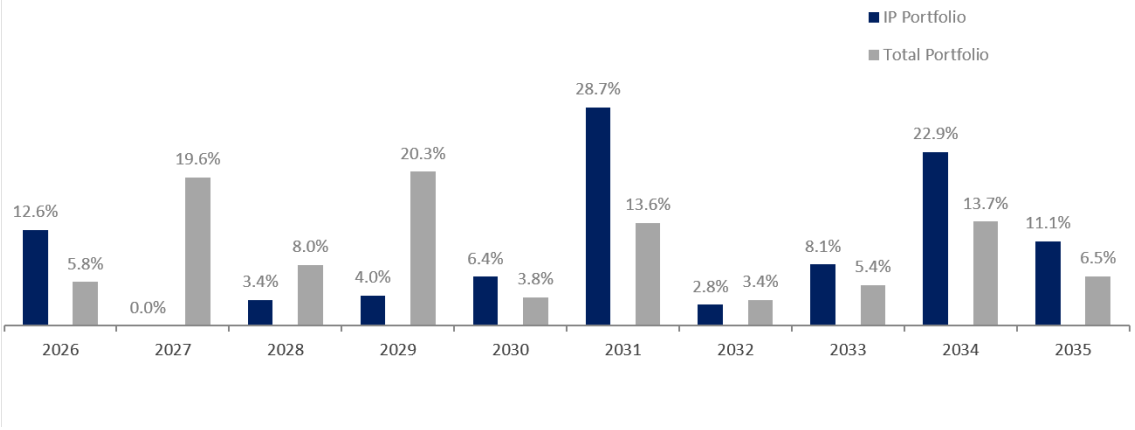
The change in occupancy and leasing activity in the Total Portfolio, including joint ventures at the REIT's proportionate ownership interest, by geographic region for the period ended September 30, 2026, was as follows:

	Occupied space (sq. ft.)					
Total Portfolio	January 1, 2026	Acquisition / Disposition	New leases	Lease Expiries	September 30, 2026	Occupancy rate
France	186,548	-	9,052	(50,130)	145,470	24.1%
Germany	535,290	(140,594)	1,228	-	395,924	85.9%
Spain	117,274	-	-	-	117,274	100.0%
Total Portfolio	**839,112**	**(140,594)**	**10,280**	**(50,130)**	**658,667**	**55.7%**

Lease Maturities

Lease Maturity Profile

(in % of leased GLA as at September 30, 2026)



The above graph sets out the percentage of leased GLA of the IP Portfolio and Total Portfolio subject to leases expiring by year (excluding early lease terminations).

The average remaining lease terms, not including tenant early termination rights, in the IP Portfolio was 5.4 years (3.9 in the Total Portfolio). Assuming all tenants exercise their early termination rights and leave at the earliest possible date, which the REIT believes is unlikely, the average remaining lease term in the IP Portfolio is 2.5 years (2.6 years for the Total Portfolio).

Out of the 39,000 sq.ft. with a 2026 potential maturity, 36,500 reflects the main tenant lease in the Gaia property which confirmed its departure in December 2026.

Discussion of Financial Performance

Non-GAAP Financial Measures and Other Measures

There are financial measures included in this MD&A that do not have a standardized meaning under IFRS. These measures include funds from operations, adjusted funds from operations, and other measures presented on a proportionate share basis. These measures have been derived from the REIT's financial statements and applied on a consistent basis as appropriate. Management includes these measures as they represent key performance indicators to management, and it believes certain investors use these measures as a means of assessing relative financial performance. These measures, as computed by the REIT, may differ from similar computations as reported by other entities and, accordingly, may not be comparable to other such entities. These measures should not be considered in isolation or used as a substitute for other measures of performance prepared in accordance with IFRS.

"**Adjusted Funds from Operations**" or "**AFFO**" is a meaningful supplemental measure that can be used to determine the REIT's ability to service debt, fund expansion capital expenditures, fund property development, and provide distributions to Unitholders after considering costs associated with sustaining operating earnings.

AFFO calculations are reconciled to net income, which is the most directly comparable IFRS measure. AFFO should not be construed as an alternative to net income or cash flow generated from operating activities, determined in accordance with IFRS.

AFFO is defined as FFO subject to certain adjustments, including adjustments for: (i) the non-cash effect of straight-line rents, (ii) the cash effect of the rental guarantee received, (iii) amortization of fair value adjustment on assumed debt, (iv) capital expenditures, excluding those funded by a dedicated cash reserve or capex financing, and (v) amortization of transaction costs on mortgage loans.

"**Adjusted Funds from Operations per Unit**" or "**AFFO per Unit**" is AFFO divided by the issued and outstanding Units, plus Exchangeable Securities (fully diluted basis).

"**Average loan term to maturity"** refers to the average number of years remaining in the financing.

"**Book value per Unit**" refers to the REIT's total equity divided by the Weighted average number of Units and Exchangeable Securities (on a fully diluted basis).

"Debt-service covenant ratio calculation" or "DSCR" refers to the rental income divided by the debt service, including interest and amortization.

"**Debt-to-Gross-Book Value**" refers to the REIT's apportioned amount of indebtedness respectively in the IP Portfolio and the Total Portfolio. Indebtedness on an IP and Total Portfolio basis is calculated as the sum of (i) lease liabilities, (ii) mortgage loans, (iii) other long-term liabilities, and (iv) deferred tax liabilities. Indebtedness does not include certain liabilities as is the case for the Exchangeable Securities and at the joint venture level for the contribution from the REIT and its partners.

"**Exchangeable Securities**" means the exchangeable securities issued by CanCorpEurope, in the form of interest-bearing notes, non-interest bearing notes and variable share capital.

"**Fully diluted basis**" refers to a nominal value divided by the issued and outstanding Units, plus Exchangeable Securities.

"**Funds from Operations**" or "**FFO"** follows the definition prescribed by the Real Estate Property Association of Canada publication on Funds From Operations & Adjusted Funds From Operations, dated January 2023 with one exception pertaining to the unrealized gain or loss on the REIT's cash in Euros which are domiciled in Canadian financial institutions.

Management considers FFO to be a meaningful supplemental measure that can be used to determine the REIT's ability to service debt, fund capital expenditures, and provide distributions to Unitholders.

FFO is reconciled to net income, which is the most directly comparable IFRS measure. FFO should not be construed as an alternative to net income or cash flow generated from operating activities, determined in accordance with IFRS.

FFO for the REIT is defined as net income in accordance with IFRS, subject to certain adjustments including adjustments for: (i) acquisition, eviction and disposal costs (if any), (ii) net change in fair value of investment properties, (iii) net change in fair value of derivative financial instruments at fair value through profit and loss (if any), (iv) net changes in fair value of Exchangeable Securities, (v) finance costs related to distribution on Exchangeable Securities, (vi) adjustment for property taxes accounted for under IFRIC 21 (if any), (vii) loss on exercise of lease option (if any), (viii) adjustment for foreign exchange gains or losses on monetary items not forming part of an investment in a foreign operation (if any), (ix) gain or loss on disposal of investment properties or an interest in a subsidiary (if any), (x) finance income earned from loans to joint ventures (if any), (xi) loss on extinguishment of loans (if any), (xii) deferred taxes, (xiii) non-controlling interest, (xiv) goodwill / bargain purchase gains upon acquisition, (xv) income taxes on sale of investment properties and provision for tax reassessment and (xvi) non-recurring finance income related to bank debt waiver correlated with a sale.

Exchangeable Securities are recorded as liabilities. Exchangeable Securities are recorded at fair value through profit and loss in accordance with IFRS. However, both are considered as equity for the purposes of calculating FFO and AFFO, as they are economically equivalent to the Units, with the same features and distribution rights, that are economically equivalent to the distribution paid to Unitholders, if any.

"**Funds from Operations / Unit**" or "**FFO / Unit**" is FFO divided by the issued and outstanding Units, plus Exchangeable Securities (fully diluted basis).

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

"**Interest Coverage Ratio**" or "**ICR**" covenant refers to a financial metric used to assess a REIT's ability to meet its interest obligations on outstanding debt. It indicates how many times the operating profit can cover the REIT's interest expenses over a given period.

"**Investments in Joint Ventures**" refers to the REIT's proportionate share of the financial position and results of operation of its investment in joint ventures, which are accounted for using the equity method under IFRS in the consolidated financial statements, are presented below using the proportionate consolidation method at the REIT's ownership percentage of the related investment. Management views this method as relevant in demonstrating the REIT's ability to manage the

underlying economics of the related investments, including the financial performance and the extent to which the underlying assets are leveraged, which is an important component of risk management.

For the purpose of the proportionate consolidation, the initial investment of both partners in the joint ventures were considered as being equity investments as opposed to a combination of equity and loans and accordingly, the related proportionate consolidation balance sheet items were eliminated as well as the associated finance income and finance costs. As the loans to the joint ventures were considered equity for proportionate consolidation purposes, any impairment recorded on the loans in accordance with IFRS 9 has been reversed for MD&A purposes. As such, any impairment recorded for IFRS purposes results in a difference in equity when reconciling IFRS and proportionate consolidation reporting.

"**Investment Properties Portfolio**" or "**IP Portfolio**" refers to the five wholly owned properties of the REIT.

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

"**Total Portfolio**" refers to the five properties referred to as the IP Portfolio and the five properties of the REIT held in joint-ownership with other parties.

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

"Weighted average lease break" or **"WALB"** is a metric used to measure a property portfolio's risk of vacancy and refers to the average period in which all leases in a property or portfolio could expire if tenants exercise their early termination option. It is calculated as the sum of the percentages of rentable area multiplied by the number of years in each remaining lease term before next break option.

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

FFO and AFFO Calculation

The reconciliation of FFO and AFFO for the three- and nine-month periods ended September 30, 2026, and 2025, based on proportionate consolidation figures including REIT's interest in joint ventures (see the "*Consolidated Statement of Earnings - Reconciliation to Consolidated Financial Statements" section*), is as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2026	**2025**	**2026**	**2025**
Net income attributable to the Trust (including share of net earnings from investments in joint	(105)	189	1,393	(9,140)
Add/(Deduct):				
Net change in fair value of investment properties	1,040	1,403	14,974	8,578
Loss on sale of investment properties	-	-	475	167
Adjustment for property taxes accounted for under IFRIC 21	(866)	(952)	866	979
Net change in fair value of Exchangeable securities	(2)	(39)	(57)	(71)
Foreign exchange (gain)	-	(22)	-	(68)
Non-recurring finance income from bank debt w aiver	-	-	(17,020)	-
Deferred income tax recoveries	(3)	23	(1,199)	158
Non-controlling interest	(1)	1	803	(212)
FFO	**63**	**603**	**235**	**391**
Add/(Deduct):				
Non-cash effect of straight line rents	(298)	172	(335)	400
Cash effect of the rental guarantee	-	(184)	-	-
Amortization of transaction costs on mortgage loans	67	63	205	55
Capex	(187)	(1,517)	(664)	(1,581)
AFFO	**(355)**	**(863)**	**(559)**	**(735)**
FFO / Units (diluted) *($)*	**0.00**	**0.02**	**0.01**	**0.01**
AFFO / Units (diluted) *($)*	**(0.01)**	**(0.03)**	**(0.02)**	**(0.02)**

FFO calculation for the nine months ended September 30, 2026 excludes $17,020 (€10,600) in non-recurring finance income related to the bank debt waiver obtained upon closing of the Trio property sale in Q1 2026.

Overview - GAAP and Non-GAAP

The REIT has identified specific key performance indicators to measure the progress of its long-term objectives. These are set out below:

	September 30, 2026		December 31, 2025	
Operating metrics	**IP Portfolio**	**Total Portfolio**	**IP Portfolio**	**Total Portfolio**
Number of properties	5	10	6	11
Gross leasable area (sq. ft.)	759,222	1,182,862	953,136	1,376,773
Occupancy rate - end of period	38.2%	55.7%	47.7%	60.9%
Weighted average lease term	5.4 years	3.9 years	4.3 years	3.7 years
Average initial yield [1]	2.9%	4.4%	3.6%	4.6%
Capital management metrics	**IP Portfolio**	**Total Portfolio**	**IP Portfolio**	**Total Portfolio**
Available cash [3]	$12,537	$15,035	$25,057	$27,431
Fair value of investment properties [3]	$272,104	$385,971	$291,713	$415,829
Debt-to-gross book value [2]	52.2%	61.6%	56.3%	64.0%
Debt-to-gross book value, net of cash [2]	50.1%	59.8%	53.0%	61.7%
Weighted average loan term to maturity	1.8 years	1.6 years	2.2 years	1.8 years
Weighted average interest rate [2]	3.99%	3.95%	3.46%	3.40%
Interest coverage ratio [2]	0.3 x	1.0 x	0.6 x	1.1 x

(1) Calculated on annualized Net Rental Income (based on Net Rental Income for the year-to-date period).
(2) As defined in the section *"Non-GAAP Financial Measures and Other Financial Measures"*.
(3) See the section *"Capital Management"* for further discussion on the composition and usefulness of this metric.

	Three months ended September 30,		Nine months ended September 30,	
(thousands of $ except per Unit and other data)	**2026**	**2025**	**2026**	**2025**
Financial performance metrics				
Rental revenue	3,023	4,380	8,770	13,037
Rental revenue - Total Portfolio [1]	5,383	6,764	16,196	20,182
Net rental income	2,861	3,701	5,128	7,137
Net rental income - Total Portfolio [1]	5,095	6,053	11,873	13,411
Net income, attributable to the Trust	(105)	189	1,393	(9,140)
Funds from Operations (FFO) [1] [2]	63	603	235	391
Adjusted Funds from Operations (AFFO) [1] [2]	(355)	(863)	(559)	(735)
FFO per Unit (diluted) [1] [2]	0.00	0.02	0.01	0.01
AFFO per Unit (diluted) [1] [2]	(0.01)	(0.03)	(0.02)	(0.02)

(1) See the section *"Non-GAAP Financial Measures*" for more information on the REIT's non-GAAP financial measures and reconciliations thereof.
(2) The reconciliation of FFO and AFFO to Net Income can be found under the section *"Non-GAAP Reconciliation (FFO and AFFO)"*.

Consolidated Financial Information

	Three months ended September 30,		Nine months ended September 30,	
	2026	**2025**	**2026**	**2025**
Rental revenue	3,023	4,380	8,770	13,037
Property operating cost recoveries	798	1,292	2,420	3,803
Property operating costs	(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 Administration expenses	(1,081)	(1,082)	(3,845)	(3,803)
Foreign exchange gain	-	22	-	68
Loss on disposal of investment properties	-	-	(475)	(167)
Share of net income from joint ventures	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	(436)	(572)	(4,712)	(6,360)
Net change in fair value of Exchangeable securities	2	39	57	71
Impairment loss of financial assets	(1,139)	-	(1,692)	-
Finance income	1,108	776	19,795	2,285
Finance costs	(1,803)	(2,271)	(5,025)	(6,530)
(Loss) income before income taxes	**(40)**	**255**	**2,307**	**(9,186)**
Current income tax expense	(66)	(65)	(111)	(166)
Total income tax expense	**(66)**	**(65)**	**(111)**	**(166)**
Net income	**(106)**	**190**	**2,196**	**(9,352)**
Non-controlling interest	(1)	1	803	(212)
Net income attributable to the Trust	**(105)**	**189**	**1,393**	**(9,140)**

Selected Three-Year Information

The table below is the summary of key operating metrics for the IP Portfolio.

	For the nine months ended September 30,				
	2026	**2025**	**2024**	**2026 vs. 2025**	**2025 vs. 2024**
Rental revenue	8,770	13,037	13,381	(4,267)	(344)
Net Rental Income (NRI)	5,128	7,137	9,043	(2,009)	(1,906)
Net change in fair value of investment properties	(4,712)	(6,360)	(39,860)	1,648	33,500
Finance costs	(5,025)	(6,530)	(7,507)	1,505	977
Net income (loss)	2,196	(9,352)	(43,635)	11,548	34,283
Net income (loss) attributable to the Trust	1,393	(9,140)	(43,136)	10,533	33,996

Net Rental Income

For the IP Portfolio, Net Rental Income ("NRI") for Q3 2026 decreased to $2,861 (€1,779) compared to $3,701 (€2,367) for Q3 2025. The decrease was primarily attributable to the sale of the Trio property in January 2026, partially offset by the absence in 2026 of the Baldi property, which was vacant and made a negative contribution to NRI in Q3 2025 prior to its disposition in December 2025.

For the nine months ended September 30, 2026, the IP Portfolio Net Rental Income ("NRI") was $5,128 (€3,188), compared to $7,137 (€4,565) for the same period of 2025, the decrease being mostly attributable to the above-described factors, added to the disposition of the Sablière property in April 2025 and the offsetting impact of bad debt allowances of $1,534 recognized in 2025 on the Gaia property to account for the risk of insolvency of two tenants who were subsequently evicted.

In Q3 2026, NRI, adjusted for IFRIC 21 for the portfolio that includes the REIT's proportionate share in joint ventures ("Total Portfolio"), was $4,229 (€2,630), in decrease compared to $5,101 (€3,263) for Q3 2025. The decrease reflects the above factors on the IP Portfolio and a $118 decrease in the REIT's share of joint venture NRI ($2,234 compared to $2,352 for Q3 2025). For the nine months ended September 30, 2026, the REIT's share of joint venture NRI increased by $471, reflecting the leasing since Q4 2025 of 20% GLA left vacant in the Neu-Isenburg property.

In accordance with IFRIC 21, the annual property taxes for the REIT's properties located in France are expensed in full in the first quarter of the fiscal year. Realty tax expenses for the year are approximately $3,000. These taxes are mostly paid in the fourth quarter. This results in a reduction to NRI in the first quarter of each year with relatively higher NRI in the subsequent three quarters.

The impact of IFRIC 21 on NRI (in $ and in €) for the three and nine months ended September 30, 2026, and 2025 is set out below.

	For the three months ended September 30,			For the nine months ended September 30,		
In thousands of $	**2026**	**2025**	**Variance**	**2026**	**2025**	**Variance**
Net rental income	2,861	3,701	(840)	5,128	7,137	(2,009)
IFRIC 21 impact	(753)	(846)	93	753	870	(117)
Adjusted net rental income - IFRIC 21 [(1)]	2,108	2,855	(747)	5,881	8,007	(2,126)

	For the three months ended September 30,			For the nine months ended September 30,		
In thousands of Euros	**2026**	**2025**	**Variance**	**2026**	**2025**	**Variance**
Net rental income	1,779	2,367	(589)	3,188	4,565	(1,377)
IFRIC 21 impact	(468)	(541)	73	468	556	(88)
Adjusted net rental income - IFRIC 21 [(1)]	1,311	1,826	(516)	3,657	5,121	(1,465)

(1) Represents a non-GAAP financial measure that has no standardized meaning with IFRS and is not comparable to other companies. See the section *"Non- GAAP Measures and Other Measures"*.

The NRI, including the REIT's share in joint ventures, is set out below.

	For the three months ended September 30,			For the nine months ended September 30,		
In thousands of $	**2026**	**2025**	**Variance**	**2026**	**2025**	**Variance**
Net rental income	2,861	3,701	(840)	5,128	7,137	(2,009)
Net rental income - proportionate share of JVs	2,234	2,352	(118)	6,745	6,274	471
IFRIC 21 impact	(866)	(952)	86	866	979	(113)
Adjusted net rental income - IFRIC 21 - including proportionate share of JVs [(1)]	4,229	5,101	(872)	12,739	14,390	(1,651)

(1) Represents a non-GAAP financial measure that has no standardized meaning with IFRS and is not comparable to other companies. See the section *"Non- GAAP Measures and Other Measures"*.

General and Administrative Expenses

General and administrative expenses ("G&A expenses") are comprised of Inovalis S.A.'s asset management fees and other G&A expenses such as trustee fees, directors' and officers' liability insurance, professional fees (including accounting fees), legal fees, filing fees, and Unitholders related expenses.

For both the three and nine months ended September 30, G&A expenses were stable compared to the same period in 2025, the decrease in Asset Management fees being notably offset by the increase of Trustee fees driven by the termination of the 2025 Amended and Restated Deferred Unit Plan effective January 1, 2026. Trustee compensation is now paid in cash. The outstanding Deferred Units ("DSUs") were fully exercised in Q1 2026 and April 2026.

	Three months ended September 30,			Nine months ended September 30,		
	2026	2025	Variance	2026	2025	Variance
Asset management fees – Inovalis SA	(380)	(447)	67	(1,022)	(1,391)	369
Less: amount reinvoiced to joint ventures	321	319	2	960	932	28
	(59)	**(128)**	**69**	**(62)**	**(459)**	**397**
Professional fees for accounting. tax and audit	(506)	(504)	(2)	(1,655)	(1,489)	(166)
Legal expenses	(129)	(124)	(5)	(452)	(390)	(62)
Trustee fees	(88)	(52)	(36)	(390)	(205)	(185)
Travel expenses	(97)	(139)	42	(416)	(357)	(59)
Governance expenses	(35)	(44)	9	(199)	(201)	2
Bank and depositary expenses	(50)	(78)	28	(182)	(195)	13
Listing, transfer agent and publication fees	(14)	(13)	(1)	(100)	(41)	(59)
Other general and administrative expenses	(103)	-	(103)	(389)	(466)	77
Total G&A expenses	**(1,081)**	**(1,082)**	**1**	**(3,845)**	**(3,803)**	**(42)**

Share of Net Income from Joint Ventures and Impairment Loss on Financial Assets

The performance of the investments in joint ventures includes the share of net income from joint ventures; the interest on loans granted to joint ventures is presented on the finance income line.

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

The REIT's share of net loss from joint ventures for the nine months ended September 30, 2026 was $6,924, compared to $1,887 for the same period in 2025. The increase in the net loss was primarily attributable to fair value decreases at the Neu-Isenburg property, reflecting the offered sale price, and at the Kosching property following confirmation that its principal tenant will vacate in November 2027.

Net Change in Fair Value of IP Portfolio

For the nine-month period ended September 30, 2026, the REIT recognized a fair value decrease on investment properties of $4,712, compared with $6,360 decrease for the same period in 2025. The decrease was primarily attributable to a $7,257 (€4,500) fair value reduction for the Gaia property, reflecting the early termination of the principal tenant's lease at the end of 2026, partially offset by a $2,903 (€1,800) fair value increase for the Arcueil property based on its anticipated sale price.

Refer to the paragraph "IP Portfolio" in the "Consolidated balance sheet" section of this MD&A for further details on the valuation methodology.

Net Change in Fair Value of Exchangeable Securities

Exchangeable Securities are recorded at fair value based on the market price of the Units. They are reflected as a liability on the REIT's consolidated balance sheet, and therefore a decrease of the REIT's Unit price reduces the value of the liability. The closing price of a REIT Unit on the Toronto Stock Exchange was $0.69 on September 30, 2026, compared to $1.06 at close of December 31, 2025, resulting in a $57 net change in fair value of Exchangeable Securities for the nine months of 2026.

Finance Income

In Q3 2026, finance income was primarily $775 interest on loans granted to joint ventures.

For the nine months ended September 2026, in addition to $2,326 interest on loans granted to joint ventures, finance income included, as non-recurring income, the $17,020 bank mortgage waiver related to the Trio transaction, concurrently with the sale in January 2026.

Finance Costs

The $1,803 finance costs for Q3 2026 (decrease from $2,271 in Q3 2025), including the interest on lease liabilities and mortgage loans, reflected the sale of Baldi and Trio properties, and the full repayment of their related loans.

For the nine-month period ended September 30, finance costs were $5,025 in 2026 (compared to $6,530 in 2025) including $4,703 interest on mortgage loans and lease liabilities (compared to $6,024 in 2025).

Consolidated Balance Sheet

Assets	As at September 30, 2026	As at December 31, 2025	Variance
Non-current assets			
Investment properties	272,104	275,916	(3,812)
Investments in joint ventures	28,194	35,174	(6,980)
Other financial assets	460	460	-
Restricted cash	80	684	(604)
Total non-current assets	**300,838**	**312,234**	**(11,396)**
Current assets			
Trade receivables and other financial assets	8,560	7,975	585
Other current assets	2,002	1,944	58
Restricted cash	1,209	373	836
Cash	12,537	25,057	(12,520)
Total current assets	**24,308**	**35,349**	**(11,041)**
Asset held for sale	-	15,797	(15,797)
Total assets	**325,146**	**363,380**	**(38,234)**

Liabilities and Unitholders' equity	As at September 30, 2026	As at December 31, 2025	Variance
Liabilities			
Non-current liabilities			
Interest-bearing loan	-	205	(205)
Mortgage loans	-	57,993	(57,993)
Lease liabilities	49,336	90,682	(41,346)
Tenant deposits	1,601	2,176	(575)
Total non-current liabilities	**50,937**	**151,056**	**(100,119)**
Current liabilities			
Interest-bearing loan	79	26	53
Mortgage loans	68,095	42,623	25,472
Lease liabilities	52,187	12,999	39,188
Tenant deposits	765	-	765
Exchangeable securities	271	416	(145)
Trade and other payables	6,421	8,535	(2,114)
Provisions	278	278	-
Income tax payable	4,651	9,550	(4,899)
Deferred income	1,278	248	1,030
Total current liabilities	**134,025**	**74,675**	**59,350**
Total liabilities	**184,962**	**225,731**	**(40,769)**
Equity			
Trust units	301,113	300,859	254
Retained earnings	(191,099)	(191,908)	809
Accumulated other comprehensive income	29,669	29,856	(187)
Total Equity	**139,683**	**138,807**	**876**
Non-controlling interest	501	(1,158)	1,659
Total liabilities and equity	**325,146**	**363,380**	**(38,234)**

Selected Consolidated Balance Sheet Information

	Sept. 30, 2026	Dec. 31, 2025	Dec. 31, 2024	2026 vs. 2025	2025 vs. 2024
Fair value of investment properties - IP Portfolio [1]	272,104	291,713	353,850	(19,609)	(62,137)
Fair value of investment properties - Total Portfolio [1]	385,971	415,829	476,579	(29,858)	(60,750)
Investment in joint ventures - carrying value	28,194	35,174	37,047	(6,980)	(1,873)
Total assets	325,146	363,380	412,216	(38,234)	(48,836)
Total debt [2]	169,697	204,528	215,508	(34,831)	(10,980)
Total non-current liabilities	50,937	151,056	152,130	(100,119)	(1,074)
Unitholders' equity	139,683	138,807	182,038	876	(43,231)
Number of outstanding Units	33,554,507	33,302,307	33,206,180	252,200	96,127

(1) Including assets held for sale.
(2) Includes the current and non-current portion of interest-bearing loan, mortgage loans, lease liabilities.

IP Portfolio

The fair value of the REIT's IP Portfolio as at September 30, 2026, was $272,104 (€168,737), a decrease compared to $291,713 (€180,974), including asset held for sale, as at December 31, 2025. The decrease was mainly attributable to the sale of the Trio property ($15,797) and the negative change in fair value of the Gaia property ($7,257), driven by the main tenant's departure confirmation.

Management uses the Direct Capitalization Method ("DCM") to determine the fair value of all the REIT's properties in France, Germany and Spain. The values are supported by external appraisals of the Total Portfolio as at June 30, 2026, performed in conformity with the requirements of the Royal Institution of Chartered Surveyors Standards, and for the French properties, in conformity with the "Charte de l'expertise immobilière", as well as European Valuation Standards of TEGoVA (the European Group of Valuers' Association) and IFRS 13 Fair Value Measurement. 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 (anticipated for the first quarter of 2027).

Investments in Joint Ventures

The investment in joint ventures ("JV") encompasses the interest of the REIT (through five subsidiaries) in:

- the Duisburg property (50%), through a joint venture agreement maturing in March 2027 in line with the current senior financing agreement;
- the Stuttgart property (50%), through a joint venture agreement maturing in February 2028 correlated with the senior financing;
- the Delizy property (50%), through a joint venture agreement maturing in 2029, correlated with the lease liability contract with the senior bank;
- the Neu-Isenburg property (50%), through a joint venture agreement maturing in February 2028 correlated with the senior financing;
- the Kosching property (50%), through a joint venture agreement maturing in February 2028 correlated with the senior financing.

Regarding the properties for which the JV terms are linked to senior financing maturing within 12 months, management is confident it can obtain an extension without requiring significant deleveraging. In addition, the JV partners retain the ability to extend the joint venture agreements, notwithstanding their current alignment with the senior financing.

The REIT's investment in joint ventures was $28,194, the decrease compared to the $35,174 as at December 31, 2025 being mostly attributable to the $8,188 fair value decrease impacting the Neu-Isenburg (to adjust to offered price) and Kosching properties (following the single tenant departure in November 2027).

Trade Receivables and Other Financial Assets

Trade receivables and other financial assets as at September 30, 2026, amounted to $8,560, stable compared to $7,975 at December 31, 2025. The $4,553 interest receivable on joint venture loans ($3,913 as at year end 2025) are presented net of a $5,286 impairment loss on the Delizy loan ($1,692 recorded during 2026). Interest payments have been deferred on all joint venture properties to prioritize the use of free cashflow to meet new financing terms (amortization or cash reserve payments) or to fund tenant incentives for reletting.

Trade and Other Payables

Trade and other payables totaled $6,421 as at September 30, 2026, compared to $8,535 as at December 31, 2025. Pursuant to IFRIC 21, the trade payables amount in Q3 2026 included approximately $750 full year property taxes.

Other payables decreased in 2026 mainly due to the settlement of balances held in property management accounts with advance payments presented on the “Other receivables” line of the balance sheet.

Income Tax Payable

In December 2025, the Paris Administrative Court issued a ruling regarding 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 ($9,495) is payable to the French tax authorities.

In Q1 2026, the REIT filed an appeal claiming to recover €4,116 ($6,637) 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. Management has secured a deferred payment schedule over ten months, with the remaining balance payable in 2027 or from any sale proceeds. As at September 30, 2026, eight instalments had been paid, decreasing the amount payable by $4,903.

Capital Management

Sources of Capital

The REIT's primary sources of capital are cash generated from operations, finance income and the disposition of assets.. The primary uses of capital include costs for attracting and retaining tenants, recurring property maintenance, major property improvements, and debt interest payments. The REIT expects to meet ongoing obligations through current cash, cash flows from operations, asset disposition, debt refinancing and, as growth requires and when appropriate, new equity or debt issues. Mature assets have been sold to reduce indebtedness and preserve liquidity.

Capital Management Metrics

To measure the REIT's debt performance, management uses the non-GAAP key indicators below:

	Consolidated basis - IP Portfolio		Proportionate share basis - Total Portfolio	
	September 30, 2026	**December 31, 2025**	**September 30, 2026**	**December 31, 2025**
Capital management metrics				
Debt-to-gross book value	52.2%	56.3%	61.6%	64.0%
Debt-to-gross book value, net of cash	50.1%	53.0%	59.8%	61.7%
Debt due in the next 12 months [(1)]	120,282	55,622	147,793	103,167
Weighted average loan term to maturity	1.8 years	2.2 years	1.6 years	1.8 years
Weighted average interest rate [(1)]	3.99%	3.46%	3.95%	3.40%
Interest coverage ratio [(2)]	0.3	0.6	1.0	1.1

(1) Includes lease liabilities and mortgage financings.
(2) As defined in the section "*Non-GAAP Financial Measures and Other Financial Measures*".

Given the mortgage loans maturities on the Gaia and Delgado properties (March 2027), as well as the lease liability contract on Arcueil property (July 2027), a total of $107,734 has been reclassified to the “debt due in the next 12 months” as at September 30, 2026 compared to December 31, 2025.

Financing covenants

Since December 31, 2024, the Interest Coverage Ratio covenant for the Gaia property has been in a breach position as a result of a low occupancy rate consecutive to defaulting tenants, triggering a cash trap provision.

Under this mechanism, cash flows generated by the property may be applied only to operating costs and debt service, with excess amounts retained in the restricted account until the covenant is restored. A total of $725 was transferred to the cash reserve in accordance with the cash trap provision and is presented as restricted cash.

The REIT has been in communication with the lender of the Gaia property to update them on leasing, rent collection and disposition plans that would remedy the covenant breach and allow for a loan maturity extension. Although the lenders have given no indication of an intention to demand the early repayment of the loan despite the breach of covenants, the lenders could enforce their rights and the applicable loan amounts would then become immediately due and payable. See *“Risks and Uncertainties”* in this MD&A.

Debt-to-Gross Book Value

The debt-to-gross book value ratio is a non-GAAP measure that considers the REIT's apportioned amount of indebtedness respectively in the IP Portfolio and the Total Portfolio. Indebtedness on an IP and Total Portfolio basis is calculated as the sum of (i) lease liabilities, (ii) mortgage loans, (iii) other long-term liabilities, and (iv) deferred tax liabilities. Indebtedness does not include certain liabilities as is the case for the Exchangeable Securities and at the joint venture level for the contribution from the REIT and its partners.

Debt-to-gross book value	Consolidated basis - IP Portfolio		Proportionate share basis - Total Portfolio	
	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025
Lease liabilities	101,523	103,681	111,583	113,761
Mortgage loans	68,095	100,616	140,189	174,407
Interest-bearing loans	-	189	-	278
Deferred tax liabilities	-	-	1,938	3,138
Total debt outstanding	**169,618**	**204,486**	**253,710**	**291,584**
Less : Cash including Restricted cash [(1)]	(13,746)	(25,057)	(17,953)	(27,431)
Debt net of cash	**155,872**	**179,429**	**235,757**	**264,153**
Gross book value	325,146	363,380	412,136	455,272
Gross book value. net of cash	311,400	338,323	394,183	427,841
Debt-to-gross book value	**52.2%**	**56.3%**	**61.6%**	**64.0%**
Debt-to-gross book value, net of cash	**50.1%**	**53.0%**	**59.8%**	**61.7%**

(1) As at September 30, 2026 includes current Restricted cash, that could be allocated to mortgage loan deleverage.

The sale of the Trio property for its fair value for $15,797 on January 30, 2026, and waiver of $17,020 (€10,600) of indebtedness had a positive impact on the debt-to-gross book value ratio. The current restricted cash being mostly dedicated to fund mortgage loan deleverage upon default or maturity, notably on the Gaia, Stuttgart, Neu-Isenburg and Kosching properties, the debt-to-gross net of cash for the Total Portfolio includes $2,918 of restricted cash, leading to a 59.8% ratio (60.1% without restricted cash).

Interest Coverage Ratio

Weighted-Average Interest Rate

The increases in policy rates implemented by the European Central Bank (ECB) led to a mechanical increase in the weighted average interest rate across the IP and Total Portfolio debt, including bank margin, to 3.99% and 3.95% respectively, compared to 3.46% and 3.40% at December 31, 2025. Management is negotiating debt service reduction with senior lenders. The 12% mezzanine facility on the Bad Homburg property should be extended for a short period, pending further progress on the reletting activity.

Debt Profile

	As at September 30, 2026			
	IP Portfolio		Total Portfolio	
	Carrying value	%	Carrying value	%
Lease liabilities	**101,523**	60%	**111,583**	44%
Mortgage loans	**68,095**		**140,189**	
of which : Amortized mortgage loan	*22,973*	*13%*	*31,339*	*12%*
Bullet mortgage loan	*45,122*	*27%*	*108,850*	*44%*
Total	**169,618**	**100%**	**251,772**	**100%**

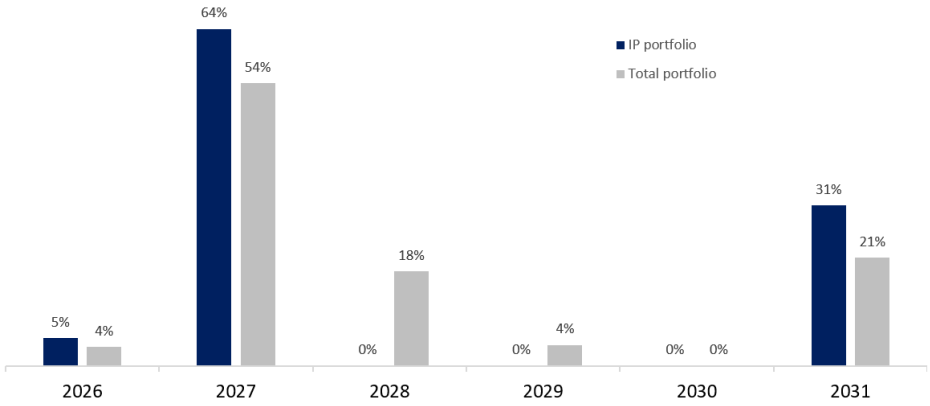
As at September 30, 2026, the debt on the IP Portfolio is composed of 60% lease liabilities and 40% mortgage loans, under contracts expiring from 2026 (Bad Homburg) to 2031 (Metropolitain). The average term of repayment of financing is 1.8 years (1.6 years on the Total Portfolio). Lease liabilities contracts are not bound by loan-to-value or debt-service-coverage-ratio covenants.

The REIT contractually repays principal amounts quarterly on both mortgage and lease liabilities. This represents 73% of the REIT's IP Portfolio financing, excluding bullet mortgage loans (56% on the Total Portfolio). Management is in regular communication with the senior lenders, including those of Gaia, Arcueil and Delizy properties, to update them on leasing, redevelopment and sale strategies and the renegotiation of financing terms for the in-place loans (particularly amortization schedules). After a 2-year suspension of scheduled debt amortization on the Arcueil property from Q2 2024 through Q2 2026 included, Management is negotiating the extension of the amortization until the sale closes in Q1 2027.

An amortization deferral was granted by lenders on the Delizy lease liability from the end of 2024, until Q4 2026. Management is in negotiations with the lender to further extend the deferral from Q4 until the sale closes as anticipated in Q3 2027.

Leasehold and Mortgage Financing Maturity Profile

(in % of amount outstanding as at September 30, 2026)



The $9,792 18-month mezzanine loan on the Bad Homburg property matures in November 2026 and, Management is assessing a one-year extension term sheet.

The mortgage maturities of the three properties held as joint ventures (Stuttgart, Neu-Isenburg and Kosching) were extended in September 2026 until end February 2028, representing a total of $45,560.

The 2027 mortgage maturities relate mostly to the lease liability contract with the bank on the Arcueil property, in addition to the Delgado, Duisburg and Gaia financings. Notwithstanding significant vacancies, management is in discussions with the lender to obtain an extension of the Gaia mortgage loan at maturity, which may be conditional on the marketing of the asset (see “Liquidity Risk and Going Concern” section).

Equity

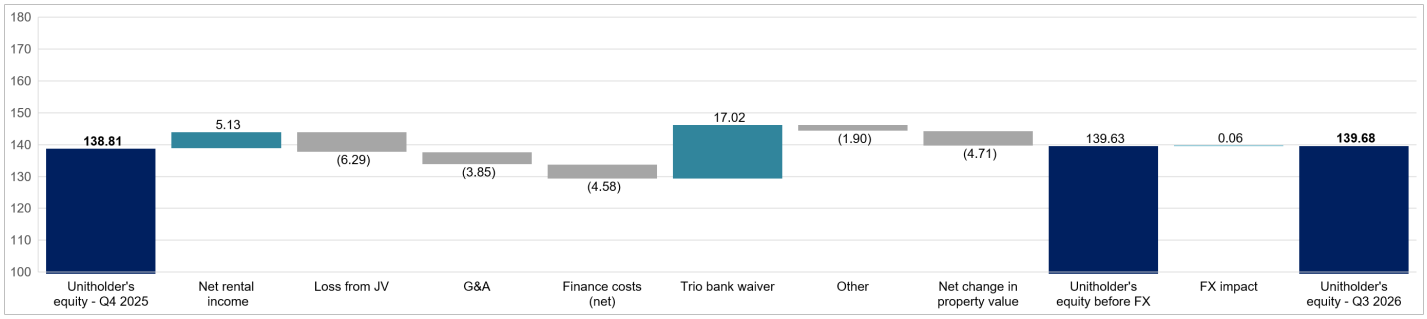
Management's discussion about equity is inclusive of Exchangeable Securities. In the consolidated financial statements, the Exchangeable Securities are classified as current liabilities under IFRS because of the conversion feature that can be exercised by the holder of those securities at any time.

As at September 30, 2026, the REIT has 33,554,507 Units issued and outstanding, plus 392,892 Exchangeable Securities. Under the Deferred Unit Plan, which was terminated effective January 1, 2026, 252,200 Deferred Units were exercised and converted into Units over the nine months ended September 30, 2026.

	Three months ended September 30, 2026	Nine months ended September 30, 2026
Units		
Number at beginning of period	33,554,507	33,302,307
Increase in number during the period	-	252,200
Number at end of period	33,554,507	33,554,507
Weighted average number during the period	33,554,507	33,495,498
Exchangeable securities		
Number at beginning of period	392,892	392,892
Number at end of period	392,892	392,892
Weighted average number during the period	392,892	392,892
Units and Exchangeable securities		
Number at beginning of period	33,947,399	33,695,199
Increase in number during the period	-	252,200
Number at end of period	33,947,399	33,947,399
Weighted average number during the period	33,947,399	33,888,390

Unitholders' Equity

The Unitholders' equity breakdown over the nine months of 2026 is presented below (in $ million):



Notes to the Unitholder's equity chart:

- Foreign exchange impact: The closing foreign exchange rate was 1.6126 as at September 30, 2026, similar to the 1.6119 as at December 31, 2025, leading to non-significant impact on the REIT's NAV.
- Loss from the JVs includes the share of net loss for $6,924, the $1,692 impairment loss on the Delizy joint venture loan, offset by $2,326 in finance income from interest on joint venture loans.
- The amount of $4.58 million includes $5,025 finance costs presented net of finance income of $449, excluding $17,020 Trio waiver and $2,326 interest on joint venture loans, shown separately.
- The $17,020 non-recurring finance income related to the waiver of remaining bank loan balance on the Trio operation is presented separately.

Available and Restricted Cash

The REIT's available cash was $12,537 as at September 30, 2026 (compared to $25,057 as at December 31, 2025). In addition to usual operations (debt service, operating expenses and structure costs), the REIT paid $4,903 to tax administration in its litigation on the withholding tax rate. Available funds are intended to be used for senior debt payments (interest and amortization), investment in tenant improvements for leasing and tax litigation payment (pending potential partial refund in appeal). In addition to this available cash, the REIT held:

- $1,289 of restricted cash, that could be used for partial deleverage ahead of loan extensions or repayment upon sale.
- $4,207 of cash in the assets held in joint venture, including $1,709 restricted cash set aside upon refinancing of debts and intended to secure senior lenders or finance capital expenditures and incentives for future reletting.

Cash Flows

The table below shows the cash utilization throughout the nine months of 2026 and 2025 for the IP Portfolio, not including the REIT's share of cash in the joint venture-owned properties. Management will continue to closely monitor cash and negotiate payment deferral from banks or suppliers when necessary to meet working capital requirements.

	For the nine months ended September 30,		
	2026	**2025**	**Variance**
Cash at the beginning of the year	**25,057**	**6,249**	**18,808**
Cash provided by (used in):			
Operating activities	(10,479)	(2,329)	(8,150)
Investing activities	15,772	25,823	(10,051)
Financing activities	(17,790)	(18,871)	1,081
Net change during the year	**(12,497)**	**4,623**	**(17,120)**
Impacts of FX adjustment on cash	(23)	1,044	(1,067)
Cash at period-end	**12,537**	**11,916**	**621**

Unit-Based Compensation Plan

In February 2026, the Trustees approved the immediate vesting of all previously unvested Deferred Units held by Trustees. Effective February 4, 2026, the Deferred Unit Plan is no longer used as a form of Trustee compensation and no further Deferred Unit grants will be made unless the Board determines otherwise. Effective January 1, 2026, all Trustee compensation, including annual retainers, committee fees and meeting fees, are paid in cash. In the nine month period leading to September 30, 2026, all 252,200 outstanding DSUs were exercised.

Financial Instruments

The REIT has the following financial assets and liabilities as at September 30, 2026:

	Classification
Financial assets	
Loans to joint ventures	Amortized cost
Trade receivables and other financial assets	Amortized cost
Restricted cash	Amortized cost
Cash	Amortized cost
Financial liabilities	
Mortgage loan	Amortized cost
Tenant deposits	Amortized cost
Exchangeable Securities	Fair Value Through Profit and Loss
Trade and other payables	Amortized cost

The REIT uses the following hierarchy for the fair value determination of financial instruments:

- Level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 unobservable inputs for the asset or liability.

There were no transfers between levels of the fair value hierarchy during the nine months ended September 30, 2026.

Due to their short-term nature, the carrying value of the following financial instruments measured at amortized cost approximates their fair value at the balance sheet date:

- Trade receivables and other financial assets
- Cash and restricted cash
- Trade and other payables

	September 30, 2026		December 31, 2025	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Financial assets				
Loans to joint ventures	21,637	21,637	21,683	21,683
Financial liabilities				
Mortgage loans	66,347	68,095	99,153	100,616
Tenant deposits	2,366	2,366	2,176	2,176

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

- The fair value of the loans to joint venture was 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 were carried at amortized cost using the effective interest method of amortization. The estimated fair values of long-term borrowings were based on market information, when available, or by

discounting future payment of interest and principal at estimated interest rates expected to be available to the REIT as at September 30, 2026, and December 31, 2025.

The fair value of the mortgage loans was determined by discounting the cash flows of these financial obligations using September 30, 2026, market rates for debt with similar terms (Level 2). Based on these assumptions, the fair value of the mortgage loans as at September 30, 2026, was estimated to be $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 issuance.

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.
- derivative financial instruments is determined based on discounted cash flows using interest rate yield curves and volatility that are observable on an active market, as at the balance sheet date.
- Exchangeable Securities is based on the quoted price of the Units, on the basis that they are exchangeable on a one-to-one basis at the request of the holders of Exchangeable Securities. Other features of Exchangeable Securities have no significant impact on their fair value.

The REIT is exposed to several financial risks, including those associated with financial instruments, which have the potential to affect its operating and financial performance. These risks include interest rate risk, currency risk, credit risk and liquidity risk.

Liquidity Risk and Going concern

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 as well as the status of the maturity of financial assets and liabilities.

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 the extension of bank loans maturing within the 12 months following the release of the financial statements.

A - Availability of financing

The Bad Homburg loan ($9,792) matures in November 2026. Management has already initiated negotiations and is assessing a one-year extension with the objective to refinance this mezzanine loan with conventional financing, depending on progress with the leasing strategy.

The Gaia loan ($35,330) matures on March 27, 2027. Management is in ongoing discussions with the lender regarding the leasing or redevelopment strategy for the property, which has an 80% projected vacancy rate by December 2026. Based on discussions held to date, management is confident about obtaining an extension of the loan at maturity or refinancing it; however, the lender may require deleveraging as part of the extension process.

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.

The mortgage financing for Duisburg ($26,535), a property held 50% in a joint venture, matures on March 31, 2027. The property is fully let and management is confident about obtaining an extension of the existing loan or refinancing it. Distributions to

shareholders are suspended 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.

On the Arcueil property, after a two-year suspension of scheduled debt amortization from Q2 2024 through Q2 2026 on the lease liability contract ($49,431), management is negotiating the extension of the amortization until the sale closing anticipated in Q1 2027. The sale closing proceeds will cover 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 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. While significant progress has been made in satisfying conditions precedent, delays in administrative procedures have resulted in the expected closing date shifting from year-end 2026 to Q1 2027. The sale closing will 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.

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. At September 30, 2026, 37% of the REIT's Investment Portfolio and Total Portfolio long-term debt obligation has no exposure to interest rate risk. Floating rate debt is mostly on assets included in the Asset Recycling Plan or with short-term financing maturity.

Credit Risk

Credit risk is the risk that a counterparty 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 the acquisition loans, 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 September 30, 2026.

Loan to joint ventures: Credit risk relating to loan to joint ventures is mitigated through recourse against such parties and/or the underlying real estate. An impairment loss has been recognized on the loan to the Delizy joint venture (see "Trade Receivables and Other Financial Assets") and interest payments have been deferred on all joint venture loans. The REIT monitors the debt service ability of the properties underlying the loans 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 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. Considering the recent economic developments in the banking industry on a global scale, management continues to assess its exposure to credit risk and is actively monitoring the situation to limit the impact on the REIT.

Quarterly Information - Last Eight Quarters

	As at and for the three months ended							
	Sept.30 2026	June 30 2026	March 31 2026	Dec.31 2025	Sept.30 2025	June 30 2025	March 31 2025	Dec. 31 2024
Rental revenue	3,023	2,934	2,813	4,267	4,380	4,419	4,238	5,258
Rental revenue - Total Portfolio (1)	5,383	5,397	5,416	6,714	6,764	6,877	6,541	7,546
Net rental income	2,861	3,047	(739)	3,416	3,701	3,280	155	4,732
Net rental income - Total Portfolio (1)	5,095	5,257	1,561	5,761	6,053	5,401	1,957	6,817
Net income attributable to Unitholders	(105)	(11,271)	12,768	(46,834)	189	(11,251)	1,922	(25,999)
FFO (1)	63	371	(158)	(6,865)	603	(222)	183	662
AFFO (1)	(355)	(274)	(39)	(7,888)	(863)	(514)	631	357
FFO per Unit (diluted) (1) (2)	0.00	0.01	(0.00)	(0.20)	0.02	(0.01)	0.01	0.02
AFFO per Unit (diluted) (1) (2)	(0.01)	(0.01)	(0.00)	(0.23)	(0.03)	(0.02)	0.02	0.01
Declared distribution per Unit (3)	-	-	-	-	-	-	-	-
FFO payout ratio (2) (3)	-	-	-	-	-	-	-	-
AFFO payout ratio (2) (3)	-	-	-	-	-	-	-	-

(1) See section "Non-GAAP Financial Measures" for more information on the REIT's non-GAAP financial measures and reconciliations thereof. Non-GAAP measures do not have standardized meaning under IFRS. These measures as computed by the REIT may differ from similar computations as reported by other entities and, accordingly, may not be comparable to other entities.
(2) Based on the diluted weighted average number of Units and Exchangeable Securities
(3) Excluding the $0.1831 and $0.225 special distributions declared on December 31, 2025 and December 31, 2024 respectively

Related party transactions

Pursuant to a fifth amended and restated management agreement dated March 27, 2023 between Inovalis S.A. as asset manager, and the REIT (the “Management Agreement”), Inovalis S.A. 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.

Inovalis S.A. is a related party of the REIT as they share the same management. The founder and Chair of Inovalis SA is President and Chief Executive Officer ("CEO") 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.

On January 30, 2026, the REIT completed the sale of the Trio property. In conjunction with this sale, the REIT incurred disposition fees totaling €98 ($157) paid to Inovalis SA and paid a portion of broker fees totaling €100 ($161) to Advenis Germany, a subsidiary of Inovalis SA.

Management Agreement

The Management Agreement term of three years ended March 31, 2026, and has been extended until December 31, 2026, while further extension is already under discussion.

Investment in Joint Ventures, Reconciliation

Consolidated Statement of Earnings - Reconciliation to Consolidated Financial Statements

	Three months ended					
	September 30, 2026			September 30, 2025		
	Amounts per REIT's financial statements [1]	Share of net earnings from investments in joint ventures	Total	Amounts per REIT's financial statements [1]	Share of net earnings from investments in joint ventures	Total
Rental income	3,023	2,360	**5,383**	4,380	2,384	**6,764**
Property operating cost recoveries	798	698	**1,496**	1,292	781	**2,073**
Property operating costs	(986)	(833)	**(1,819)**	(1,208)	(763)	**(1,971)**
Other revenues	33	13	**46**	31	4	**35**
Other property operating expenses	(7)	(4)	**(11)**	(794)	(54)	**(848)**
					-	**-**
Net rental income	**2,861**	**2,234**	**5,095**	**3,701**	**2,352**	**6,053**
General and administrative expenses	(1,081)	(427)	**(1,508)**	(1,082)	(394)	**(1,476)**
Foreign exchange loss	-	-	**-**	22	-	**22**
Share of net income (loss) from joint ventures	448	(448)	**-**	(358)	358	**-**
Operating earnings income	**2,228**	**1,359**	**3,587**	**2,283**	**2,316**	**4,599**
Net change in fair value of investment properties	(436)	(604)	**(1,040)**	(572)	(831)	**(1,403)**
Net change in fair value of Exchangeable securitie	2	-	**2**	39	-	**39**
Impairment loss of financial asset	(1,139)	1,139	**-**	-	-	**-**
Finance income	1,108	(775)	**333**	776	(774)	**2**
Finance costs	(1,803)	(1,160)	**(2,963)**	(2,271)	(663)	**(2,934)**
(Loss) income before income taxes	**(40)**	**(41)**	**(81)**	**255**	**48**	**303**
Current income tax expense	(66)	38	**(28)**	(65)	(25)	**(90)**
Deferred income tax recovery (expenses)	-	3	**3**	-	(23)	**(23)**
Total income tax expense	**(66)**	**41**	**(25)**	**(65)**	**(48)**	**(113)**
Net (loss) income	**(106)**	**-**	**(106)**	**190**	**-**	**190**
Non-controlling interest	(1)	-	(1)	1	-	1
Net (loss) income attributable to the Trust	**(105)**	**-**	**(105)**	**189**	**-**	**189**

(1) Statement of Earnings amounts presented for the REIT were taken respectively from unaudited interim condensed financial statements as at September 30, 2026 and 2025.

	Nine months ended					
	September 30, 2026			September 30, 2025		
	Amounts per REIT's financial statements [1]	Share of net earnings from investments in joint ventures	Total	Amounts per REIT's financial statements [1]	Share of net earnings from investments in joint ventures [2]	Total
Rental revenue	8,770	7,426	**16,196**	13,037	7,145	**20,182**
Property operating cost recoveries	2,420	2,119	**4,539**	3,803	1,844	**5,647**
Property operating costs	(6,564)	(2,756)	**(9,320)**	(8,252)	(2,584)	**(10,836)**
Other revenues	524	15	**539**	62	41	**103**
Other property operating expenses	(22)	(59)	**(81)**	(1,513)	(172)	**(1,685)**
Net rental income	**5,128**	**6,745**	**11,873**	**7,137**	**6,274**	**13,411**
General and administrative expenses	(3,845)	(1,275)	**(5,120)**	(3,803)	(1,156)	**(4,959)**
Foreign exchange gain	-	-	**-**	68	-	**68**
Loss on disposal of investment properties	(475)	-	**(475)**	(167)	-	**(167)**
Share of net loss from joint ventures	(6,924)	6,924	**-**	(1,887)	1,887	**-**
Operating income	**(6,116)**	**12,394**	**6,278**	**1,348**	**7,005**	**8,353**
Net change in fair value of investment properties	(4,712)	(10,262)	**(14,974)**	(6,360)	(2,218)	**(8,578)**
Net change in fair value of Exchangeable securities	57	-	**57**	71	-	**71**
Impairment loss of financial asset	(1,692)	1,692	**-**	-	-	**-**
Finance income	19,795	(2,326)	**17,469**	2,285	(2,255)	**30**
Finance costs	(5,025)	(2,685)	**(7,710)**	(6,530)	(2,261)	**(8,791)**
Income (loss) before income taxes	**2,307**	**(1,187)**	**1,120**	**(9,186)**	**271**	**(8,915)**
Current income tax expense	(111)	(12)	**(123)**	(166)	(113)	**(279)**
Deferred income tax recovery (expense)	-	1,199	**1,199**	-	(158)	**(158)**
Total income tax (expense) recovery	**(111)**	**1,187**	**1,076**	**(166)**	**(271)**	**(437)**
Net income (loss)	**2,196**	**-**	**2,196**	**(9,352)**	**-**	**(9,352)**
Non-controlling interest	803	-	803	(212)	-	(212)
Net income (loss) attributable to the Trust	**1,393**	**-**	**1,393**	**(9,140)**	**-**	**(9,140)**

(1) Statement of Earnings amounts presented for the REIT were taken respectively from unaudited interim condensed financial statements as at September 30, 2026 and 2025.

Balance Sheet Reconciliation to Consolidated Financial Statements

	As at September 30, 2026			As at December 31, 2025		
Assets	**As per REIT's financial statements [1]**	**Share from investments in joint-ventures [2]**	**Proportionate Consolidation**	**As per REIT's financial statements [1]**	**Share from investments in joint-ventures [2]**	**Proportionate Consolidation**
Investment properties	272,104	113,867	385,971	275,916	124,116	400,032
Investments in joint ventures	28,194	(28,194)	-	35,174	(35,174)	-
Other financial assets	460	(664)	(204)	460	(31)	429
Restricted cash	80	-	80	684	-	684
Total non-current assets	**300,838**	**85,009**	**385,847**	**312,234**	**88,911**	**401,145**
Current assets						
Trade receivables and other financial assets	8,560	(2,636)	5,924	7,975	(2,213)	5,762
Other current assets	2,002	410	2,412	1,944	842	2,786
Restricted cash	1,209	1,709	2,918	373	1,978	2,351
Cash	12,537	2,498	15,035	25,057	2,374	27,431
Total current assets	**24,308**	**1,981**	**26,289**	**35,349**	**2,981**	**38,330**
Asset held for sale	-	-	-	15,797	-	15,797
Total assets	**325,146**	**86,990**	**412,136**	**363,380**	**91,892**	**455,272**
Liabilities and Unitholders' equity						
Liabilities						
Non-current liabilities						
Interest-bearing loan	-	-	-	205	73	278
Mortgage loans	-	45,527	45,527	57,993	26,516	84,509
Lease liabilities	49,336	9,116	58,452	90,682	9,810	100,492
Tenant deposits	1,601	32	1,633	2,176	62	2,238
Deferred tax liabilities	-	1,938	1,938	-	3,138	3,138
Total non-current liabilities	**50,937**	**56,613**	**107,550**	**151,056**	**39,599**	**190,655**
Current liabilities						
Interest-bearing loan	79	(93)	(14)	26	209	235
Mortgage loans	68,095	26,567	94,662	42,623	47,275	89,898
Lease liabilities	52,187	944	53,131	12,999	270	13,269
Tenant deposits	765	240	1,005	-	289	289
Exchangeable securities	271	-	271	416	-	416
Trade and other payables	6,421	1,748	8,169	8,535	2,862	11,397
Provisions	278	-	278	278	-	278
Income tax payable	4,651	-	4,651	9,550	-	9,550
Deferred income	1,278	140	1,418	248	558	806
Total current liabilities	**134,025**	**29,546**	**163,571**	**74,675**	**51,463**	**126,138**
Total liabilities	**184,962**	**86,159**	**271,121**	**225,731**	**91,062**	**316,793**
Equity						
Trust units	301,113	-	301,113	300,859	-	300,859
Retained earnings [2]	(191,099)	886	(190,213)	(191,908)	885	(191,023)
Accumulated other comprehensive income	29,669	(55)	29,614	29,856	(55)	29,801
	139,683	**831**	**140,514**	**138,807**	**830**	**139,637**
Non-controlling interest	501	-	501	(1,158)	-	(1,158)
Total liabilities and equity	**325,146**	**86,990**	**412,136**	**363,380**	**91,892**	**455,272**

(1) Balance sheet amounts presented for the REIT were taken respectively from unaudited interim condensed financial statements as at September 30, 2026 and audited consolidated financial statements as at December 31, 2025.

(2) The difference in retained earnings when comparing the REIT's consolidated financial statements for IFRS purposes and the REIT's financial statements for proportionate consolidation (non-GAAP) purposes relates entirely to the impairment charge recorded on the REIT's loan to Delizy in accordance with IFRS 9. As the loan to Delizy has been considered equity for proportionate consolidation purposes, no impairment under IFRS 9 has been recorded, resulting in a reconciliation difference.

Risks and Uncertainties

The REIT is exposed to various risks and uncertainties, many of which are beyond the control of the REIT, the occurrence of which could materially and adversely affect investments, prospects, cash flows, results of operations or financial condition and management's ability to make cash distributions to Unitholders. Management believes the risk factors described below are the most material risks to the REIT, however they are not the only ones. Additional risk factors not presently known to the REIT, or that management currently believes are immaterial, could also materially and adversely affect investments, prospects, cash flows, results of operations or financial condition and management's ability to make cash distributions to Unitholders, and negatively affect the value of the Units. In addition to the risks described herein, reference is made to the risks and uncertainties section in the REIT's latest Annual Information Form, which is available under the REIT's profile on SEDAR+ at www.sedarplus.ca.

Risks Relating to the REIT and its Business

Going concern status, Liquidity risk, Financing risks, leverage and restrictive covenants may limit the ability to implement the REIT's strategy

The real estate industry is capital intensive. The REIT requires access to capital to maintain its properties, as well as to fund significant capital expenditures from time to time. There is no assurance that capital will be available when needed or on favourable terms. Failure to access required capital could adversely impact investments, cash flows, operating results or financial condition, the ability to make distributions on the Units and the ability to implement the REIT's strategy.

As indebtedness increases, there is risk that the REIT may default on its debt obligations. The ability to make scheduled payments on the principal of, or interest on, and to otherwise satisfy the REIT's debt obligations depends on future performance, which is subject to the financial performance of the properties, prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond the REIT's control.

The REIT is currently in breach of the restrictive covenant contained in a debt obligation relating to an Interest Coverage Ratio (Gaia property). See the "*Capital Management Financing Covenants*" section. If this breach was to be enforced by the relevant lender, a portion of the REIT's indebtedness may then become immediately due and payable. If the debt under these obligations or other debt instruments is accelerated, the REIT may not have sufficient liquid assets to repay amounts due thereunder. The REIT has been in communication with the lender for the mortgage loan to refinance the loan and remediate the covenant that has been breached.

Following a comprehensive analysis by management that considered a wide range of factors related to the REIT's future cash flow and financing obligations, management has concluded that there is a material uncertainty that may cast significant doubt upon the REIT's ability to continue as a going concern for at least the next twelve months, as it requires the completion of refinancing or extension of bank loans maturing within the 12 months following the release of the financial statements (see "*Liquidity Risk and Going Concern"* section).

Changes in Interest Rates Could Adversely Affect Cash Flows

When concluding financing agreements or extending such agreements, management's objective is to agree on terms for interest payments that will not impair desired profit. In addition to the variable rate portion of the leaseholds in respect of the REIT's properties, management may enter into future financing agreements with variable interest rates depending on market conditions. As at September 30, 2026, 63% of the REIT's Total Portfolio debt was subject to variable interest rates, primarily associated with short-term financing or on properties currently being marketed for sale. There is a risk that interest rates will increase, which would result in a significant increase in the amount paid by the REIT and its subsidiaries to service debt and could impact on the market price of the Units.

IFRS Reporting may Result in the Consolidated Statement of Financial Position and Consolidated Statement of Earnings Being Subject to Volatility as the Fair Value of Portfolio Changes

The fair value of the REIT's properties is dependent upon, among other things, rental income from current leases, assumptions about rental income from future leases reflecting market conditions, expected future cash outflow in respect of such leases, the demand for similar properties, the availability and cost of financing and general economic conditions. A change in one or a combination of these factors, many of which are not controlled by the REIT, may have a material impact to the fair value of its

properties. The REIT's chosen accounting policy under IFRS requires that real estate assets be recorded at "fair value", with changes in fair value being recorded in earnings in the period of change. Accordingly, the statement of financial position and the statement of earnings are subject to volatility, as the fair value of its real estate portfolio changes and these changes may be material.

Potential Volatility of the REIT's Unit Prices

The price for the Units could be subject to wide fluctuations in response to quarter-to-quarter variations in operating results, the gain or loss of significant properties, changes in income estimates by analysts and market conditions in the industry, as well as general economic conditions or other risk factors set out herein. In addition, stock markets have experienced volatility that has affected the market prices for many issuers' securities and that often has been unrelated to the operating performance of such issuers. These market fluctuations may adversely affect the market price of the Units. A publicly traded REIT will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Units may trade at a material discount to the underlying value of the REIT's real estate assets. The market price for the Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of the REIT.

Book Value per Unit May Not Reflect Amounts Realizable by Unitholders

Book value per Unit ($4.17 as at September 30, 2026, or $4.13 on a fully diluted basis) is derived from the REIT's IFRS carrying values. The fair value of the REIT's investment properties is supported by external appraisals as at June 30, 2026, reviewed by management as at September 30, 2026, which estimate the value of each property individually, assuming an orderly transaction between market participants under normal market conditions. Book value per Unit is not an estimate of the amount that would be realized on a sale of the REIT's properties, whether individually or as a portfolio, or on a sale of the REIT, or of the amount that would be available for distribution to Unitholders. Amounts ultimately realized by the REIT and its Unitholders could be materially lower than book value per Unit as a result of, among other things, the following factors:

- Social tensions in France. Protests, strikes and social tensions in France may disrupt property operations and access, reduce tenant demand, delay administrative processes such as building permits, and reduce the appetite of investors and lenders for French commercial real estate.

- Political uncertainty in France. As described under "Current conditions in the French political environment may negatively impact our ability to secure financing and the value of the assets in France", the absence of a stable majority government and related fiscal uncertainty may continue to reduce lending and investment activity, place upward pressure on capitalization rates and adversely affect the value of the REIT's French properties, which represent approximately 56% of the fair value of the Total Portfolio.

- Costs of sequential dispositions. The REIT is disposing of its properties individually over an extended period. While dispositions are pending, the REIT continues to bear debt service, property operating and vacancy costs, eviction and capital expenditure costs, general and administrative expenses (including asset management fees), and transaction costs and taxes. These costs reduce the net cash available to the REIT from each disposition. For example, the sale of 87.5% of the Arcueil property for $60,537 is expected to generate net cash proceeds to the REIT of approximately $5.6 million after repayment of the related debt.

- Refinancing risk. As at September 30, 2026, $147,793 of Total Portfolio debt (including lease liabilities) was due within the next 12 months. There can be no assurance that lenders will extend or refinance this debt, and lenders may require deleveraging, cash reserves or other terms that reduce the value realizable by the REIT. See "Liquidity Risk and Going Concern".

- Financing structure. The REIT is financed almost exclusively with asset-level, non-recourse debt. Where the value of a property is less than the debt secured on it, the REIT may realize little or no equity value from that property, and that shortfall is not offset against the equity value of other properties. In addition, certain financing and joint venture arrangements require proceeds from the sale of one property to be applied to debt secured on other properties, such as the expected application of any net sale proceeds from the Neu-Isenburg property to reduce the mortgage debt secured against the Stuttgart and Kosching properties.

- Interest rates. Increases in European Central Bank policy rates in June and September 2026, and the REIT's exposure to variable-rate debt (63% of Total Portfolio debt as at September 30, 2026), may increase borrowing costs, place upward pressure on capitalization rates and reduce property values and buyer demand.

The Units have traded at a significant discount to book value per Unit; the closing price of the Units on the Toronto Stock Exchange was $0.69 on September 30, 2026. Readers should not place undue reliance on book value per Unit as an indication of the value that may be realized by Unitholders.

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

France's political landscape has become more fragmented. The ongoing absence of a clear majority government has created political instability, which has significantly dampened the appetite of financial institutions for commercial lending and tempered the appetite of potential investors, prompting a more conservative approach to investment and financing decisions. The continuing succession of government changes has led to tighter lending criteria, making it increasingly difficult for businesses to obtain financing. In addition, higher interest rates have increased borrowing costs and reduced debt affordability for investors, limiting access to leverage and reducing liquidity in the investment market. As a result, both the supply of and demand for commercial real estate financing have contracted. Reduced financing availability, higher borrowing costs and lower transaction activity may negatively affect investor demand and market liquidity and could result in downward pressure on real estate values in France. Consequently, these factors may adversely impact the fair value of the REIT's French investment properties and its ability to obtain financing on acceptable terms.

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

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

Risks Inherent in the Real Estate Industry may Adversely Affect the REIT's Financial Performance

The REIT is subject to risks involving the economy in general, including, among other things, inflation, deflation or stagflation, unemployment, geopolitical events and a local, regional, national or international outbreak of a contagious disease. Poor economic conditions could adversely affect the REIT's ability to generate revenues, thereby reducing its operating income and earnings. It could also have an adverse impact on the ability of the REIT to maintain occupancy rates, which could harm the REIT's financial condition. In weak economic environments, the REIT's tenants may be unable to meet their rental payments and other obligations due to the REIT, which could have a material and adverse effect on the REIT.

In addition, fluctuation in interest rates or other financial market volatility may adversely affect the REIT's ability to refinance existing indebtedness on its maturity, or on terms that are as favorable as the terms of the existing indebtedness, which may impact negatively on AFFO, may restrict the availability of financing for future prospective purchasers of the REIT's investments, and could potentially reduce the value of such investments, or may adversely affect the ability of the REIT to complete acquisitions on financially desirable terms.

An investment in real estate is relatively illiquid. Such illiquidity will tend to limit the REIT's ability to sell its assets promptly in response to changing economic or investment conditions. The costs of holding real estate are considerable and during an economic recession, the REIT may be faced with ongoing expenditures with a declining prospect of incoming receipts. In

such circumstances, it may be necessary for the REIT to dispose of properties at lower prices to generate sufficient cash for operations and making distributions and interest payments.

Concentration of Tenants May Result in Significant Vacancies on the Properties

As at September 30, 2026, five of the REIT's largest tenants, by percentage of total GLA, occupy 29% of the total area, with the main tenant in Stuttgart (held 50% in joint venture) representing 10% of total area and 12% of the Total Portfolio rental income.

While the five largest tenants in REIT Total Portfolio are committed to multi-year leases which are set to expire gradually between 2027 and 2035, there is no assurance that such tenants will continue to occupy such premises for the remainder of their lease terms. Some of them have break options before the end of their leases, and the earliest dates on which those five largest tenants may effectively move range between 2026 and 2032.

To minimize further risk of vacancy, the REIT will continue to closely monitor all leases and ensure that they work with the current tenants to determine their future leasing plans, which would allow the REIT to source tenants in advance of the current tenants' vacating the property.

Lease Renewals, Rental Increases, Lease Termination Rights and Other Lease Matters

Leases for tenants of the REIT's properties will mature or expire from time to time. There can be no assurance that tenants will renew their leases upon the expiration or that rental rate increases will be achieved upon such renewal. The failure to renew leases or achieve rental rate increases may adversely impact our financial condition and results of operations and decrease the amount of cash available for distribution.

Despite management's objective to maintain continuous occupancy of leased premises, tenants may fall into financial difficulty from time to time, and there can be no guarantee that tenants will continue to occupy such premises, nor be able to fully pay their rent. In addition, certain leases contain a provision which gives tenants the right to terminate their leases upon payment of a penalty.

Environmental Contamination on Properties May Expose the REIT to Liability and Adversely Affect Financial Performance

The properties may contain ground contamination, hazardous substances, wartime relics (including potentially unexploded ordnance) and/or other residual pollution and environmental risks. Buildings and their fixtures might contain asbestos or other hazardous substances above the allowable or recommended thresholds, or the buildings could bear other environmental risks. Prior to acquiring interests in the properties (including the leasehold interests), management undertook environmental studies on each property. No sign of pollution was evidenced on any of the properties.

The REIT is subject to various federal, state, and municipal laws relating to environmental matters. Such environmental laws impose actual and contingent liabilities on the REIT to undertake remedial action on contaminated sites and in contaminated buildings. The costs of any removal, investigation, or remediation of any residual pollution on such sites or in such buildings, as well as costs related to legal proceedings, including potential damages, regarding such matters may be substantial.

The REIT has insurance in place to protect against certain environmental liabilities in respect of certain of the properties, with limits, which are customary and available for portfolios like the REIT's.

Necessary capital and operating expenditures are made to ensure compliance with environmental laws and regulations. Although there can be no assurance, management does not believe that costs relating to environmental matters will have a material adverse effect on our investments, financial condition, results of operations or distributions or cash interest payments. However, environmental laws and regulations can change, and the REIT may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on the REIT's business, financial condition or results of operations.

The REIT May Incur Significant Capital Expenditures

Certain significant expenditures must be made throughout the period of ownership of real property, regardless of whether the property is producing sufficient income to pay such expenses. To retain desirable rentable space and to generate adequate

revenue over the long term, we must maintain or, in some cases, improve each property's condition to meet market demand, which can entail significant costs that may not be passed on to tenants.

Any failure by the REIT to undertake appropriate maintenance and refurbishment work in response to the factors described above could entitle tenants to withhold or reduce rental payments, or even to terminate existing leases. Any such event could have a material adverse effect on our cash flows, financial condition and results of operations, and our ability to make distributions on the Units.

Changes in Government Regulations May Affect Our Investment in Our Properties

The REIT is subject to laws and regulations governing the ownership, leasing or operations of, or investment in, real property, employment standards, environmental and energy efficiency matters, taxes and other matters. It is possible that future changes in applicable federal, state, local or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting the REIT (including with retroactive effect), and in particular, those applicable in France, Germany and Spain (in which all of our properties are located). Any changes in the laws to which the REIT is subject could materially affect its rights and title to the properties in its portfolio. It is not possible to predict whether there will be any further changes in the regulatory regime(s) to which the REIT is subject or the effect of any such change on investments by the REIT.

In France, certain authorities or individuals (for example, tenants or the administrative agency governing the area in which the subject property is located) have a pre-emptive right, under law, to purchase a property in priority to a potential purchaser (referred to in France as the Droit de Préemption). These pre-emptive rights may negatively impact proposed sales by the REIT, for example, by creating delays in the sale process and causing a reduction in the price to be paid for the REIT's properties.

Failure to Receive Deductions for Interest Payments May Adversely Affect Cash Flows, Results of Operations and Financial Condition

During the acquisition of its properties, the REIT entered into financing transactions with third parties and affiliates. These financing agreements require payment of principal and interest. There are several rules pursuant to German and Luxembourg tax laws restricting the tax deductibility of interest expenses for corporate income and municipal trade tax purposes. Such rules have changed considerably on several occasions recently. As a result, uncertainties exist as to the interpretation and application of such rules, which have not yet been clarified by the tax authorities and the tax courts. The tax deductibility of interest expenses depends on, among other things, the details of the security structure for debt financings, the annual amount of tax net-debt interest, the amounts and terms of Unitholder or affiliate financings, and our general tax structure. There is a risk of additional taxes being triggered on the rental income and capital gains in the event that the tax authorities or the tax courts adopt deviating views on the above. If this were the case, this would result in a higher tax burden and, consequently, could have a material adverse effect on cash flows, financial condition and results of operations and ability to pay distributions on the Units. In France, and assuming that interest rates on group loans are arm's length, tax laws restricting the deductibility of interest expenses for corporate income tax purposes should have no impact since INOPCI 1 is exempt from corporate income tax provided it complies with its distribution obligations.

Changes in Currency Exchange Rates Could Adversely Affect Our Business

Substantially all of the REIT's investments and operations are conducted in currencies other than Canadian dollars (mostly in Euros). The REIT raises funds primarily in Canada from the sale of securities in Canadian dollars and invests such funds indirectly through its subsidiaries in currencies other than Canadian dollars. As a result, fluctuations in such foreign currencies against the Canadian dollar could have a material adverse effect on financial results, which are denominated and reported in Canadian dollars, and on the ability to pay cash distributions to Unitholders, if any. When needed, active hedging programs have been implemented to offset the risk of revenue losses if the Canadian dollar increases in value compared to foreign currencies. However, to the extent that the REIT fails to adequately manage this risk, including if any such hedging arrangements do not effectively or completely hedge changes in foreign currency rates, the REIT's financial results may be negatively impacted.

Dependence on Inovalis S.A. for Management Services

The REIT is dependent on Inovalis S.A. with respect to the asset management of properties and the property management of the properties. Consequently, the REIT's ability to achieve its investment objectives depends in large part on Inovalis S.A. and its ability to provide advice. This means that the REIT's investments are dependent upon Inovalis S.A.'s business contacts, its ability to successfully hire, train, supervise and manage its personnel and its ability to maintain its operating systems. If the REIT were to lose the services provided by Inovalis S.A. or its key personnel, our investments may decline. The REIT may be unable to duplicate the quality and depth of management available to it by becoming a self-managed company or by hiring another asset manager.

While the trustees have similar oversight responsibility with respect to the services provided by Inovalis S.A. pursuant to the Management Agreement, the services provided by Inovalis S.A. are not performed by employees of the REIT, but by Inovalis S.A. directly and through entities to which it may subcontract. The Management Agreement's three-year term ended on March 31, 2026, and has been extended until December 31, 2026, while further extension is under discussion.

Investments in, and Profits and Cash Flows From, Properties May be Lost in the Event of Uninsured or Underinsured Losses to Properties or Losses from Title Defects

The REIT carries general liability, umbrella liability and excess liability insurance with limits that are typically obtained for similar real estate portfolios in France, Germany and Spain and otherwise acceptable to the trustees. For the property risks, the REIT intends to carry "Multi-Risk" property insurance, including but not limited to, natural catastrophic events and loss of rental income insurance (with at least a 12 to 18-month indemnity period). The REIT also carries boiler and machinery insurance covering all boilers, pressure vessels, HVAC systems and equipment breakdown. There are, however, certain types of risks (of a catastrophic nature such as from pandemics, war, or nuclear accidents) that are uninsurable under any insurance policy. Furthermore, there are other risks that are not economically viable to insure currently. The REIT partially self-insures against terrorism risk for the entire portfolio. The REIT has insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements. Should an uninsured or underinsured loss occur, the REIT could lose the investment in, and anticipated profits and cash flows from, one or more of its properties, but it would continue to be obligated to repay any recourse mortgage indebtedness on such properties. The REIT does not carry title insurance on the properties. If a loss occurs resulting from a title defect with respect to a property where there is no title insurance, the REIT could lose all or part of its investment in, and anticipated profits and cash flows from, such property. The REIT does not carry pandemic insurance on the properties. If a loss occurs resulting from the inability of a tenant to pay rent, or a restriction on the operation of a property due to government regulation related to a pandemic, the REIT could lose all or part of its investment in, and anticipated profits and cash flows from, such property.

Reliance on Partnerships

The REIT has a material non-controlling interest in joint venture partnerships with several institutional investors. These arrangements create a risk as the business objectives or economic interests of the partner, as in any joint business arrangement, may not be aligned with those of the REIT. The partner may make decisions that negatively affect the value of its real estate assets or income of the REIT. Such investments may involve risks that are not present in investments where a third party is not involved, including the possibility that a partner may have financial difficulties, resulting in a negative impact on the investment, or be liable for the actions of its third-party partner. Although the REIT may not have control over these investments and therefore may have a limited ability to protect its position, such partnership arrangements contain terms and conditions which, in the opinion of the REIT's independent trustees, are commercially reasonable, including without limitation such terms and conditions relating to restrictions on the transfer, acquisition and sale of the REIT's and any joint venture partner's interest in the joint venture arrangement, provisions to provide liquidity to the REIT, provisions to limit the liability of the REIT and its Unitholders to third parties, and provisions to provide for the participation of the REIT in the management of the joint venture arrangements. The REIT's investment in properties through joint arrangements is subject to the investment guidelines set out in the Declaration of Trust.

Climate Change Risk

Climate change continues to attract the focus of governments and the general public as an important threat, given the emission of greenhouse gases and other activities which continue to negatively impact the planet. The REIT faces the risk

that its properties will be subject to government initiatives aimed at countering climate change, such as reduction of greenhouse gas emissions, which could impose constraints on its operational flexibility. Furthermore, the REIT's properties may be exposed to the impact of events caused by climate change, such as natural disasters and increasingly frequent and severe weather conditions. Such events could interrupt the REIT's operations and activities, damage its properties, and require the REIT to incur additional expenses, including an increase in insurance costs to insure its properties against natural disasters and severe weather.

Potential Conflicts of Interest

The REIT may be subject to various conflicts of interest because of the fact that the trustees and management (being engaged through Inovalis S.A.), and their associates, may be engaged in a wide range of real estate and other business activities. The REIT may become involved in transactions which conflict with the interests of the foregoing. The trustees, management, Inovalis S.A., and their associates or affiliates may from time to time deal with persons, firms, institutions or corporations with which the REIT may be dealing, or which may be seeking investments similar to those desired by the REIT. The interests of these persons could conflict with those of the REIT.

Cyber Security Risks

Cyber security has become an increasingly problematic issue for issuers and businesses around the world, including for the REIT and the real estate industry. Cyber-attacks against large organizations are increasing in sophistication and are often focused on financial fraud, compromising sensitive data for inappropriate use or disrupting business operations. Such an attack could compromise the REIT's confidential information as well as that of the REIT's employees, tenants and third parties with whom the REIT interacts and may result in negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny, litigation and reputational damage. As a result, the Asset Manager continually monitors for malicious threats and adapts accordingly in an effort to ensure it maintains privacy and security standards. The Asset Manager, pursuant to the Management Agreement, invests in cyber-defense technologies to support the REIT's business model and to protect its systems, employees and tenants and seeks to employ industry best practices. The REIT's investments continue to manage the risks it faces today and position the REIT for the evolving threat landscape. The REIT also follows certain protocols when it engages software and hardware vendors concerning data security and access controls.

Litigation Risks

The REIT is subject to a wide variety of laws and regulations across its operating jurisdictions and faces risks associated with legal changes and litigation. If the REIT fails to monitor and become aware of changes in applicable laws and regulations, or if the REIT fails to comply with these changes in an appropriate and timely manner, it could result in fines and penalties, litigation or other significant costs, as well as significant time and effort to remediate any violations. The REIT, in the normal course of operations, is subject to a variety of legal and other claims, including claims relating to personal injury, property damage, property taxes, land rights and contractual and other commercial disputes. The final outcome with respect to outstanding, pending or future actions cannot be predicted with certainty, and the resolution of such actions may have an adverse effect on the REIT's financial position or results of operations as well as reputational damage both from an operating and an investment perspective. The REIT evaluates all claims on their apparent merits and accrues management's best estimate of the likely cost to satisfy such claims. Management believes the outcome of current legal and other claims filed against the REIT, after considering insurance coverage, will not have a significant impact on the REIT's consolidated financial statements.

Nature of Units and Dilution

Securities such as the Units share certain, though not all, attributes common to shares of a company. As holders of Units, Unitholders will not have the statutory rights normally associated with ownership of shares of a company including, for example, the right to bring "oppression" or "derivative" actions. Further, the REIT is authorized to issue an unlimited number of Units. Any issuance of Units may have a dilutive effect on existing Unitholders.

Income Taxes

Taxation of Trusts

The REIT qualifies as a "unit trust" and a "mutual fund trust" for purposes of the Tax Act. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") respecting mutual fund trusts will not be changed in a manner that adversely affects Unitholders. Should the REIT cease to qualify as a mutual fund trust under the Tax Act, the income tax consequences to the REIT and its Unitholders would be materially and adversely different in certain respects.

Application of the SIFT Rules

Certain rules (the "SIFT Rules") apply to a trust that is a "SIFT trust" as defined in the Tax Act. Provided that a trust does not own "non-portfolio property" (as defined in the Tax Act), it will not be subject to the SIFT Rules. Based on the investment restrictions of the REIT, the REIT may not acquire any non-portfolio property and, therefore, is not subject to the SIFT Rules. However, there can be no assurance that the SIFT Rules, or the administrative policies or assessing practices, of the CRA will not be changed in a manner that adversely affects the REIT and Unitholders.

FAPI

The REIT's "participating percentage" (as defined in the Tax Act) of "foreign accrual property income" ("FAPI") earned by any controlled foreign affiliate ("CFA") of the REIT must be included in computing the income of the REIT for the fiscal year of the REIT in which the taxation year of such CFA ends, subject to a deduction for grossed-up "foreign accrual tax", as computed in accordance with the Tax Act. The deduction for grossed-up "foreign accrual tax" may not fully offset the FAPI realized by the REIT, thereby increasing the allocation of income to the REIT and, therefore, the allocation of income by the REIT to Unitholders.

In addition, as FAPI generally must be computed in accordance with Part I of the Tax Act as though the CFA were a resident of Canada and in Canadian currency (subject to the detailed rules contained in the Tax Act), income or transactions may be taxed differently under foreign tax rules, as compared to the FAPI rules and, accordingly, may result in additional income being allocated to Unitholders.

Foreign Currency

For purposes of the Tax Act, the REIT is required to compute its Canadian tax results using Canadian currency, including for purposes of computing FAPI earned by CFAs of the REIT. Where an amount that is relevant in computing a taxpayer's Canadian tax results is expressed in a currency other than Canadian currency, such amount must be converted to Canadian currency using the rate of exchange quoted by the Bank of Canada on the day such amount first arose or using such other rate of exchange as is acceptable to the CRA. As a result, the REIT may realize gains and losses for tax purposes by virtue of the fluctuation of the value of foreign currencies relative to Canadian dollars.

Change of Tax Law

There can be no assurance that Canadian or foreign income tax laws, the judicial interpretation thereof, the terms of any income tax treaty applicable to the REIT or its affiliates, or the administrative policies and assessing practices and policies of the CRA, the Department of Finance (Canada), and any foreign tax authority or tax policy agency, will not be changed in a manner that adversely affects the REIT, its affiliates, or Unitholders.

Non-Residents of Canada

The Tax Act may impose additional withholding or other taxes on distributions (whether such distributions are paid in cash, additional Units or otherwise) made by the REIT to Unitholders who are Non-Residents. These taxes, and any reduction thereof under a tax treaty between Canada and another country, may change from time to time.

Taxation of the REIT and the REIT's Subsidiaries

Although the REIT and its subsidiaries have been structured with the long term objective of maximizing after-tax distributions, taxes (including corporate, withholding, land transfer, and other taxes) in the various jurisdictions in which the REIT invests will reduce the amount of cash available for distribution to the REIT by its subsidiaries and, therefore, reduce the amount

of cash available for distribution by the REIT to Unitholders. No assurance can be given as to the future level of taxation suffered by the REIT or its subsidiaries. In addition, certain tax positions adopted by the REIT and its subsidiaries may be challenged by the CRA or a foreign taxing authority. This could materially increase the taxable income of, and taxes payable by, the REIT and its subsidiaries, and thereby increase taxable income of Unitholders and/or adversely affect the REIT's financial position and cash available for distribution to Unitholders.

The extent to which distributions will be non-taxable in the future will depend in part on the extent to which the REIT's subsidiaries are able to deduct depreciation, interest and loan expenses relating to the REIT's properties for purposes of the Tax Act. No assurance can be given that the CRA will agree with capital cost allowance claims by the REIT's subsidiaries and that expenses claimed by the REIT and its subsidiaries are reasonable and deductible.

Qualified Investments

Management of the REIT will endeavor to ensure that the Units continue to be qualified investments for trusts governed by a registered retirement savings plan, a registered education savings plan, a registered retirement income fund, a deferred profit-sharing plan, a registered disability savings plan and a tax-free savings account, each as defined in the Tax Act (collectively, "Plans"); however, there can be no assurance in this regard. In addition, Redemption Notes or other property received on an in-specie redemption of Units may not be qualified investments for Plans. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

EIFEL Rules

The Tax Act includes rules which are intended, where applicable, to limit the deductibility of interest and other financing-related expenses by an entity to the extent that such expenses, net of interest and other financing-related income, exceed a fixed ratio of the entity's tax EBITDA (the "EIFEL Rules"). If the EIFEL Rules apply to limit the REIT's (or any subsidiary's) deduction of interest or other financing expenses in its computation of income or loss for the purposes of the Tax Act, the amount of taxable income allocated by the REIT to Unitholders may increase, which could reduce the after-tax return associated with an investment in Units. Unitholders are advised to consult their personal tax advisors.

Unit Distributions

If the Trustees determine that the REIT does not have cash in an amount sufficient to pay distributions equal to the net income of the REIT (including net realized taxable capital gains), distributions may be satisfied by issuing additional Units to Unitholders (a “non-cash distribution”). Unitholders generally will be required to include in computing their income for Canadian tax purposes in a particular taxation year the portion of the net income of the REIT, including net realized taxable capital gains, that is paid or payable to such Unitholders in that taxation year, whether or not those amounts are received in cash, additional Units or otherwise. As such, Unitholders may incur tax liabilities arising from non-cash distributions from the REIT to fund such liabilities. Unitholders are advised to consult their own tax advisors in this regard.

German Taxes

The Luxembourg SPV would be subject to municipal trade tax ("TT") if acting through a German permanent establishment. Management of the REIT have assumed that the Luxembourg SPV will not be subject to TT based on the REIT's current understanding of the structure. However, no assurance can be given that the Luxembourg SPV will not be subject to TT.

Luxco taxation

CanCorpEurope S.A. (“CCE” or “Luxco”), a public limited liability company and a subsidiary of the REIT is a Special Investment Fund within the meaning of the Luxembourg law of 13 February 2007 ("SIF"), with multiple compartments and variable capital subject to a tax of 0.01% (so called "taxe d'abonnement") per annum of its Net Asset Value. No Luxembourg withholding tax is levied on distributions from CCE. No assurance can be given that a tax authority will not challenge certain positions taken by the REIT and the REIT's subsidiaries in connection with the structure of Luxco. CCE, as a SIF, might be subject to the Luxembourg real estate levy. This levy of 20% applies on gross rental income and disposal gains deriving from real estate located in Luxembourg. Since CCE does not hold any properties located in Luxembourg, the real estate levy should not apply.

Foreign Income Taxes

The REIT's subsidiaries are subject to tax either on their taxable income or on a withholding basis under applicable legislation in France, Germany, Spain, Luxembourg and the United States. These subsidiaries account for their current or recovered taxes at the current enacted and substantively enacted tax rates and use the liability method to account for deferred taxes. The tax expense related to taxable subsidiaries for the period comprises current and deferred taxes.

The REIT's subsidiaries that hold the leasehold rights on the properties located in France are established in France and should therefore be considered as tax residents in France. Under current French tax legislation, income derived from the French REIT's subsidiaries, incorporated under the form of Société Civile Immobilière subject to article 8 of the French Tax Code, and allocated to INOPCI 1, should be corporate income tax exempt in the hands of INOPCI 1 on the basis that INOPCI 1 complies with its distribution obligations. A withholding tax should be levied in France on dividend distributions made by INOPCI 1 which is OPCI (collective undertaking for real estate investment) to CCE. The reduced rate of 15% provided by the double tax treaty ("DTT") concluded between Luxembourg and France should apply to dividends distributed by the INOPCI to CCE.

CanCorp Duisburg ("CCD"), TFI CanCorp Isenburg ("CCI"), TFI CanCorp Kosching ("CCK"), TFI CanCorp Stuttgart ("CCS"), and CanCorp Trio I, CanCorp Trio II, CanCorp Trio III (together "Trio"), Walpur Four, Arcueil SI GP ("the Luxembourg subsidiaries") are established in Luxembourg as fully taxable companies, subject to annual corporate income, municipal business and net wealth taxes. There is a minimum net wealth tax in Luxembourg. Any distributions of dividends from the Luxembourg subsidiaries to CCE are subject to a 15% Luxembourg withholding tax.

CCE is a SIF and as such is exempt from corporate income tax, municipal business tax and net wealth tax. CCE is subject to a “taxe d'abonnement”.

Arcueil SCS is a Luxembourg partnership (société en commandite simple), fully owned by CCE, that is tax transparent for Luxembourg corporate income tax purposes, i.e., all the income and expenses are deemed to be realized directly by the sole partner.

Trio, CCD, CCI, CCK, CCS and Walpur Four are Luxembourg limited liability companies that are managed in Luxembourg and, therefore, should not be considered tax resident of Germany for German tax purposes. Trio, CCD, CCI, CCK, CCS and Walpur Four are collectively called the ("German Co"). However, the German Co are subject to corporate income tax ("CIT") in Germany on their German source of income (or in case German Co is a partnership and therefore transparent for CIT purposes its partners). As the German Co's rental revenues belong to German source income, such (net) income is subject to CIT, even if the German Co (and their shareholders) are not German tax residents. This is true irrespective of whether German Co is a corporation or a partnership and therefore transparent. The right to tax such income by Germany should not be waived under the double tax treaty between Germany and Luxembourg and the double tax treaty between Germany and France because the German Co's properties are located in Germany and income from German real estate is taxed in the country where the real estate is located. To determine taxable income for CIT purposes, a taxpayer may deduct certain expenses incurred in connection with its German source income (e.g., with respect to the acquisition and ownership of real property (in particular depreciation) and certain operating expenses) provided that such costs are incurred on arm's length terms.

Cancorp Vegacinco, a limited liability company, is established in Spain as a fully taxable company, subject to annual corporate income at a 25% rate. SIF are explicitly excluded from the benefit of the DTT concluded between Luxembourg and Spain. Any distributions from Cancorp Vegacinco to CCE should thus be subject to the withholding tax rate applicable in Spain and could not benefit from any reduced rate provided by the DTT.

Critical Accounting Policies and Estimates

The preparation of the REIT's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions affecting the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent liabilities. Management bases its judgements, estimates and assumptions on experience and other factors that it believes to be reasonable under the circumstances. However, uncertainty about these judgements, estimates and assumptions could result in outcomes requiring a material adjustment to the carrying amount of the asset or liability affected in future periods.

A description of significant accounting policies is provided in Notes to the audited consolidated financial statements as at and for the year ended December 31, 2025.

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

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Disclosure Controls and Procedures ("DCP")

The CEO and CFO of the REIT have designed or caused to be designed under their direct supervision the REIT's DCP to provide reasonable assurance that: (i) material information relating to the REIT is made known to management by others, particularly during the period in which the annual and interim filings are being prepared; and (ii) information required to be disclosed by the REIT in its annual and interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time period specified in securities legislation. The CEO and CFO are assisted in this responsibility by management.

The CEO and CFO concluded that such disclosure controls and procedures were effective, as at September 30, 2026.

Internal Controls Over Financial Reporting ("ICFR")

Management is responsible for establishing and maintaining adequate ICFR to provide reasonable assurance regarding the reliability of the REIT's financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS.

An evaluation of the adequacy of the design and effective operation of the REIT's ICFR was conducted under the supervision of management, including the CEO and CFO, as at September 30, 2026. The evaluation included documentation review, enquiries and other procedures considered by management to be appropriate. Based on that evaluation, the CEO and the CFO have concluded that the design and implementation of ICFR were completed as at September 30, 2026. There were no changes in the REIT’s ICFR during the three months ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, the REIT’s ICFR.

Inherent Limitations

It should be noted that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Given the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, among other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; (ii) the impact of any undetected errors; and (iii) controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by management override.