

Nexus Real Estate Investment Trust Investor Presentation

“Industrial-Focused Growth Vehicle”



Nexus REIT

Notice to the Reader

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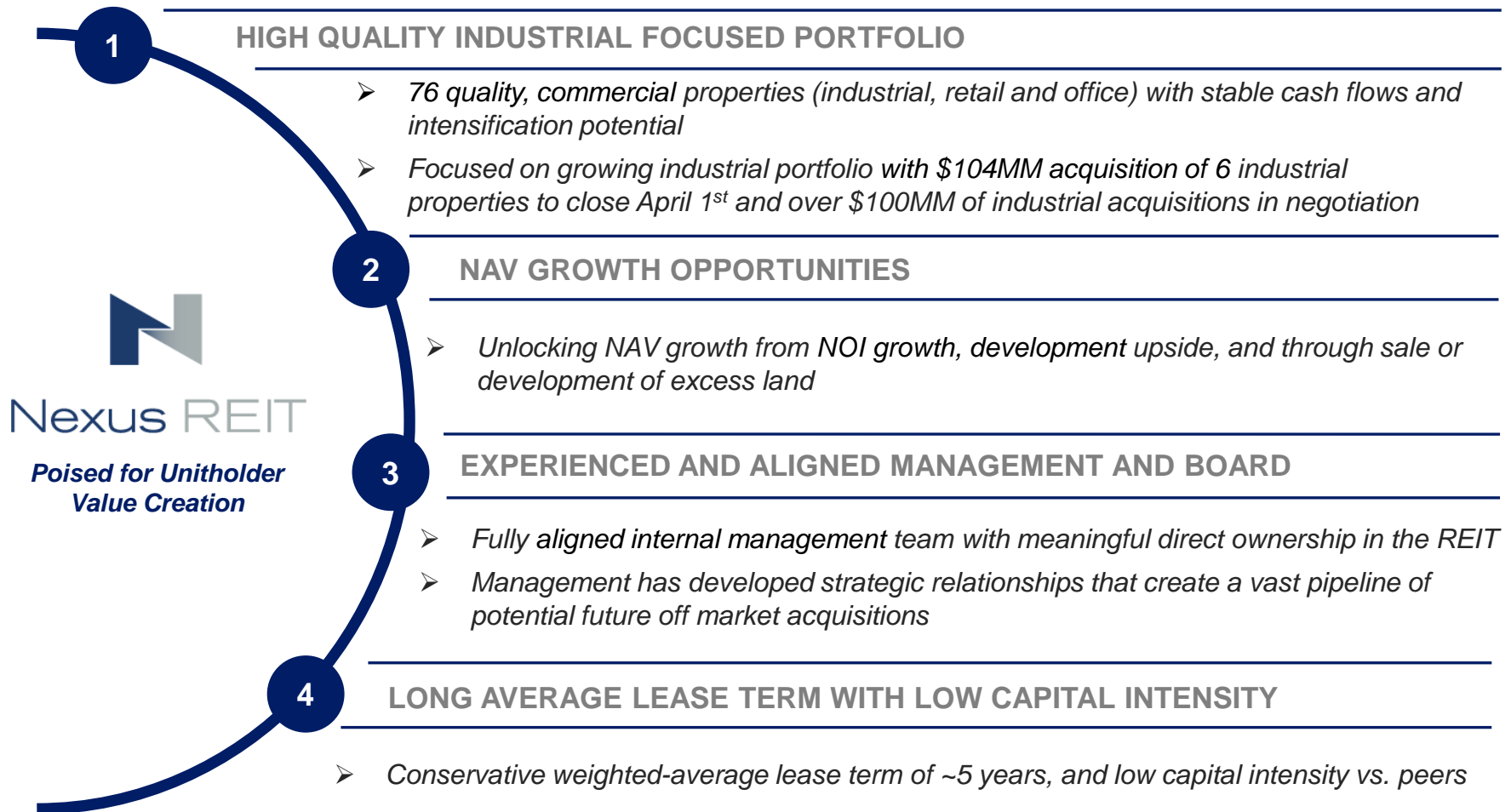
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All figures in C\$ unless otherwise noted.

Nexus REIT Poised For Value Creation

Nexus REIT (“Nexus” or the “REIT”) is focused on unitholder value creation through the acquisition and ownership of commercial properties across Canada



A Diversified Portfolio With An Industrial Focus

Industrial Portfolio

67% of NOI ⁽¹⁾

Stable Cash Flows, Long-Term Leases, and Embedded Rent Escalations

- Provides stability to Nexus as cash flows are stable, long-term, and contain embedded yearly rent escalations
- Properties are crucial and integral to the day-to-day operations of several tenants reducing re-leasing risk
- Majority of Nexus' industrial portfolio is located in high-demand industrial nodes across Canada



Retail Portfolio

21% of NOI ⁽¹⁾

Many Investment Grade, High-Quality National Tenants Offering Necessity-Based Products

- Grocery-anchored retail assets located in the Greater Quebec City and Montreal areas
- Sandalwood Management provides property management services to a significant portion of the retail portfolio
- High-quality tenants such as Shopper's, Dollarama, Metro, National Bank, Super C, Canadian Tire, and SAQ (Quebec's provincial liquor retailer)



Office Portfolio

12% of NOI ⁽¹⁾

Majority of Urban Office Assets Located in the Downtown Montreal Core

- Tenants include, Sunlife, Dicom, Xerox, The Notaries of Quebec, Public Works Government and Service Canada
- Concentration of Old Montreal character properties

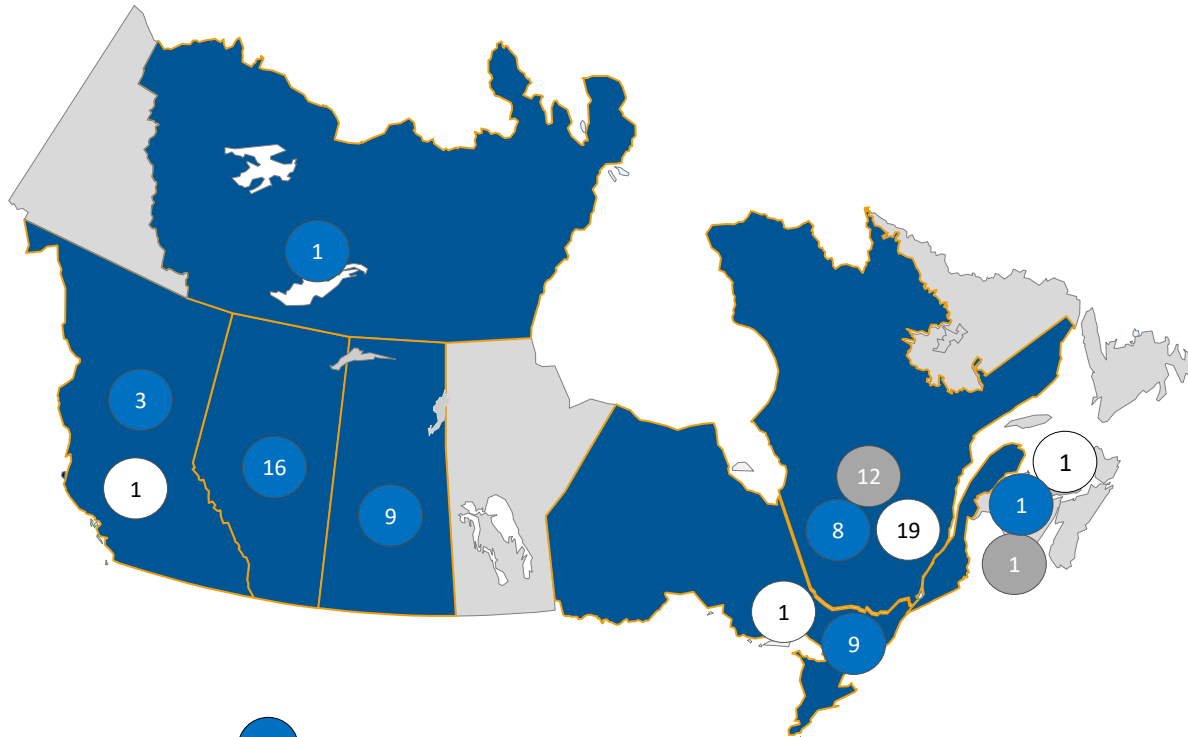


1. Pro forma completion of London portfolio acquisition

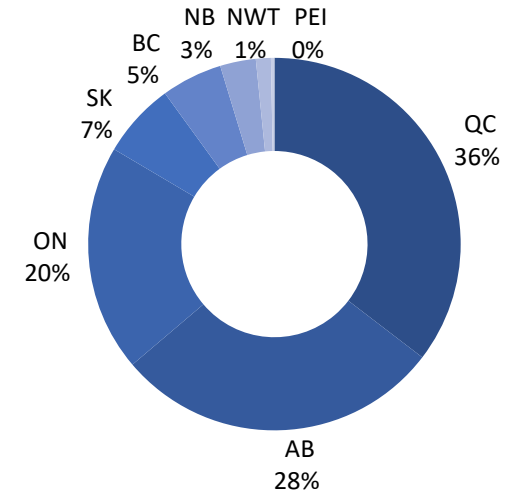
Nationwide Asset Base

82 properties located across Canada

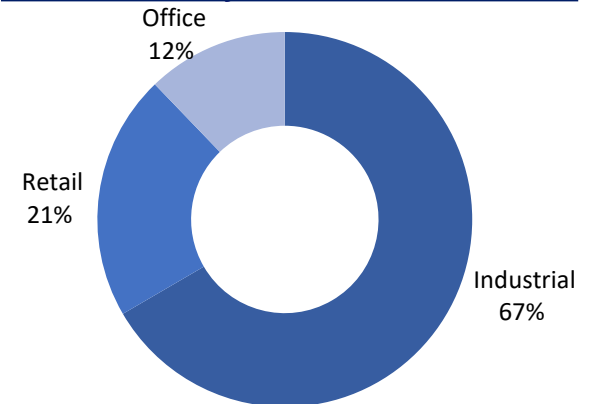
(including 6 additional industrial properties under contract in London, ON)



NOI by Geography⁽¹⁾



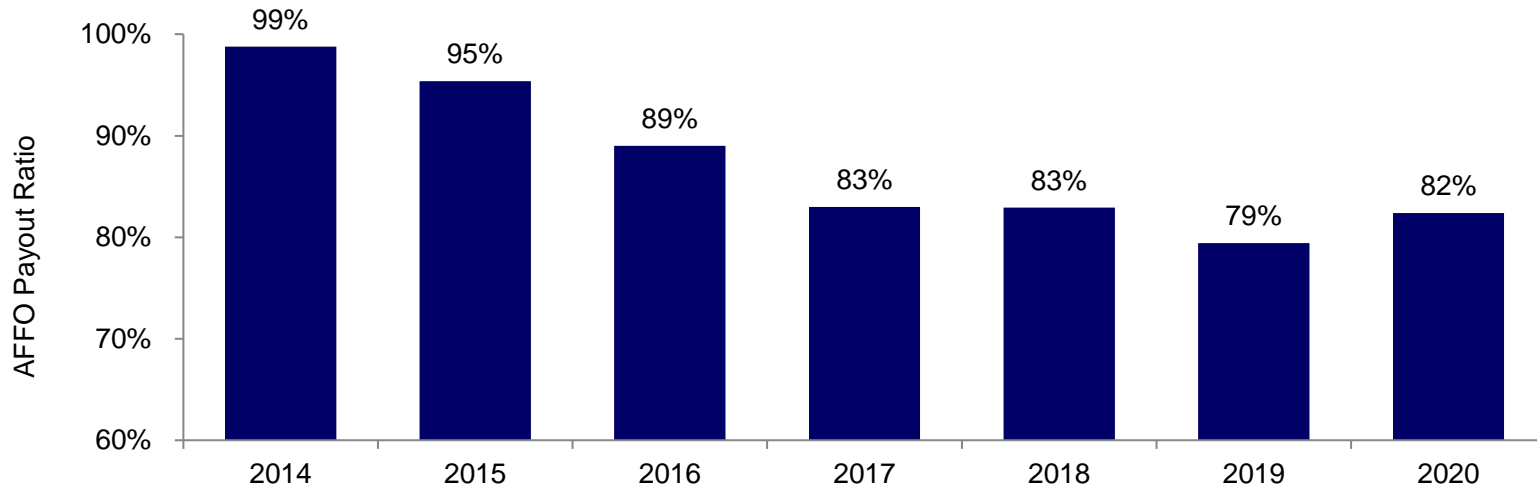
NOI by Asset Class⁽¹⁾



1. Pro forma completion of London portfolio acquisition

Demonstrated Track Record of Success

Management has demonstrated its ability to successfully make and integrate accretive acquisitions resulting in an attractive AFFO payout ratio



Delivering Strong Growth

- 2021 to date, the REIT has closed on a 2 property portfolio in Edmonton, AB for a purchase price of \$14.0MM. Additionally the REIT expects to close on the \$103.5MM acquisition of 6 industrial properties in London, ON on April 1, 2021.
- In 2020, the REIT completed \$67.7MM of industrial acquisitions, with vendors receiving \$26.1MM in REIT and LP units at a premium to the trading price of the REIT's units.
- The REIT completed \$122.4MM of acquisitions in 2018 and 2019, with vendors receiving approximately \$51.8MM in REIT and LP units at a premium to the trading price of the REIT's units.

Recent Acquisitions

Overview

- 1 **Nexus is acquiring industrial assets with strong long-term tenants in attractive markets.**
- 2 **Deals are accretive to AFFO/Unit, and purchase prices are significantly discounted to appraisal values.**
- 3 **Many vendors continue to take units as partial purchase price consideration.**



Date Closed	City	GLA (at share)	Purchase Price	Capitalization Rate	Highlights
February 3, 2020	2 in Regina, SK 1 in Saskatoon, SK	231,700 sf	\$17.4 MM	7.6%	Entire purchase price was satisfied through both Class B LP units and units of the REIT at a premium to the trading price when the purchase and sale agreement was executed
October 1, 2020	Balzac, AB	95,180 sf	\$13.8 MM	6.8%	Vendor took \$5.5 MM (40%) of the purchase price in Class B LP units valued at a premium to the trading price when the purchase and sale agreement was executed
December 1, 2020	Moncton, NB	93,443 sf	\$8.0 MM	7.5%	Vendor took \$3.2 MM (40%) of the purchase price in REIT units valued at a premium to the trading price when the purchase and sale agreement was executed
December 31, 2020	Ajax, ON	239,748 sf	\$28.5 MM	~6%	Acquired a 50% interest in an Ajax, ON industrial property with a strong long term covenant tenant
March 1, 2021	2 Properties in Edmonton, AB	108,156 sf	\$14.0 MM	~8%	Vendor took \$7.0 MM (50%) of the purchase price in Class B LP units valued at a premium to the trading price when the purchase and sale agreement was executed
April 1, 2021	6 Properties in London, ON	1,191,184 sf	\$103.5 MM	~6%	\$65.6MM (63%) of the purchase price will be satisfied by the vendor taking Class B LP Units. Expected to close on April 1, 2021.

Value Creation - Richmond, BC

Overview

- Industrial asset (consisting of 2 buildings) in Richmond, BC purchased for \$57.4MM in April 2018
- Appraised at ~\$80MM (March 2018), highlighting the significant inherent value of the property; offering potential for significant NAV growth
- Repurposing of the front building to a multi-tenant sports facility announced March 12, 2020 with two new leases signed at \$33 psf net rent (Phase 2A). This is expected to be completed in September 2021.
- Additional value creation with ~70,000 sq ft of additional GLA is currently being planned.

Key Transaction Highlights

- 1** *Off-market transaction, sourced through Nexus' long-standing relationship with the vendor*
- 2** *Attractive risk-return development profile, with high inherent value in the property*
- 3** *Accretive to AFFO per unit with the potential to be significantly accretive to NAV per unit*

Phase Redevelopment Value Creation Underway



Acquisition Cap Rate	6.50%
In-Place NOI	\$3.7MM
Development Investment	\$7.3MM
Post-Development NOI	\$4.9MM
Stabilized Cap Rate	4.50%
Stabilized Property Value	\$109MM

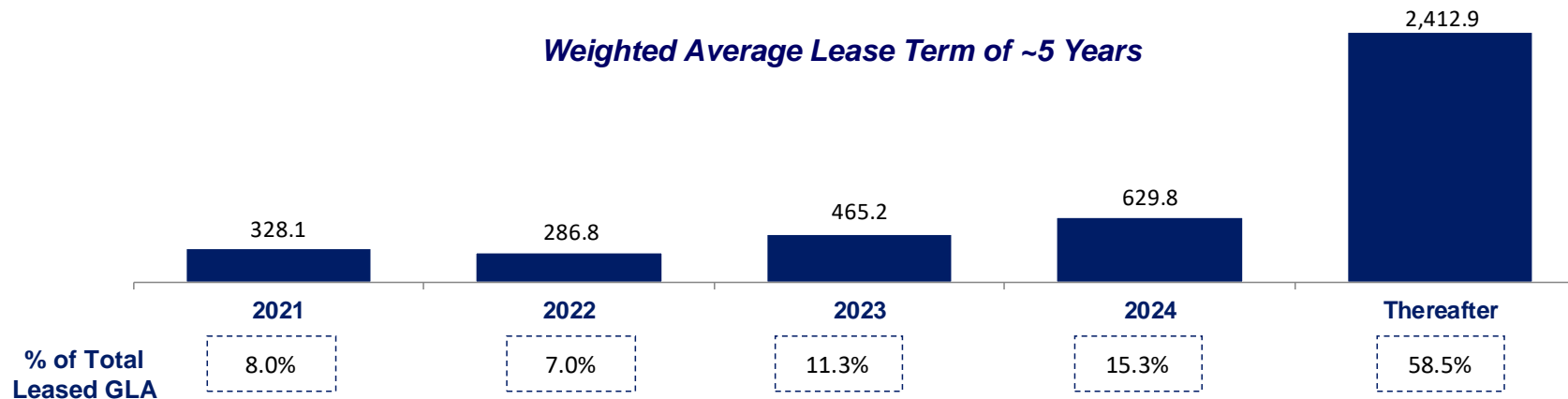
Phase 2A Unitholder Value Created \$22.2MM¹

¹Pursuant to a development management agreement which the REIT has entered into, value creation will be split with the vendor of the property, which has sourced the new tenants and is managing the development on behalf of the REIT.

Lease Expiries and Occupancy

Lease Expiry Schedule (Square Feet, '000s)

Weighted Average Lease Term of ~5 Years



Current Occupancy by Asset Class

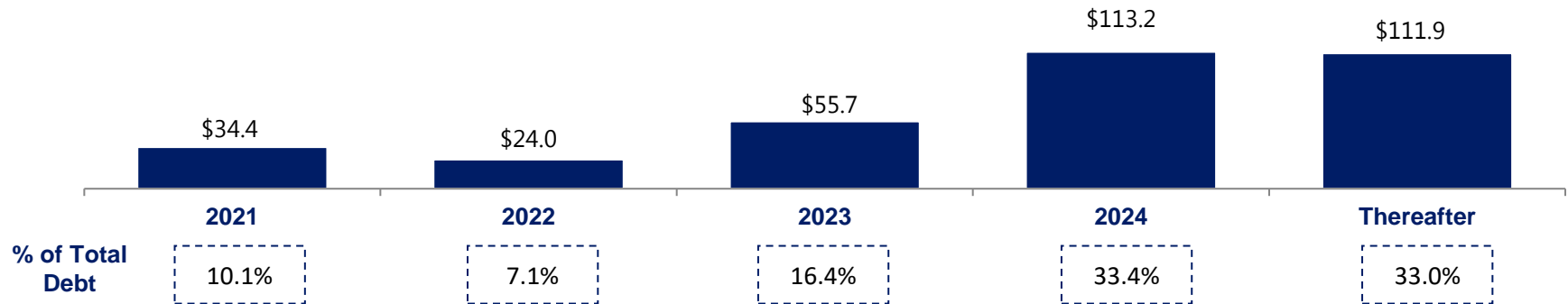
	GLA (at share)	Occupancy
Industrial	2,393,914	98.0%
Retail	1,310,276	89.8%
Office	552,895	89.5%
Total (Excl. Dev.)	4,257,085	94.4%
Development	171,274	65.0%
Total	4,428,359	93.2%



Liquidity & Debt Maturities

Debt Repayment Schedule (\$MM)

Weighted Average Term to Maturity ~4 Years
Weighted Average Interest Rate ~3.7%



Liquidity

- As at December 31, 2020 the REIT had \$14MM of cash.
- On March 4, 2021, the REIT closed on a \$35MM bought deal equity offering, which the REIT intends to use to partially fund the acquisition of ~\$100MM of industrial assets.
- The REIT expects to close on a 6-property portfolio in London, ON for a purchase price of \$103.5MM on April 1, 2021. The vendor is taking \$65.6MM of the purchase price in Class B LP units. The REIT expects to be able take out ~\$20MM to \$25MM of cash on mortgage refinancing on or shortly after closing.

Benefiting from a Strategic Investor and Partner



Overview:

- Privately held real estate investment and asset management firm
- Owns ~11% of the REIT's outstanding units

Founded:

- 1996

Experience in Real Estate:

- *Invests in office, retail, industrial, multi-family and seniors housing properties in the major Canadian markets as well as mortgages and CMBS*
- *Has invested in over \$15B of commercial mortgages*

Headquarters:

- Toronto, ON

Other:

- Canada's first and largest investor in non-investment grade CMBS
- Acquired an entity to form RFA Bank of Canada

Sourced Acquisitions:

- 27 acquisitions sourced through RFA



Strategic partnership to provide pipeline for accretive growth

Leadership Team

Management Team

Name	Title	Experience
Kelly Hanczyk	CEO	<ul style="list-style-type: none"> Former CEO and Trustee of TransGlobe Apartment REIT Extensive experience in all disciplines of industrial, commercial and residential real estate
Robert Chiasson	CFO	<ul style="list-style-type: none"> Former Corporate Controller of InStorage REIT Former Director of Accounting and Finance of Samuel Manu-Tech Obtained the CPA, CA designation while articling at KPMG

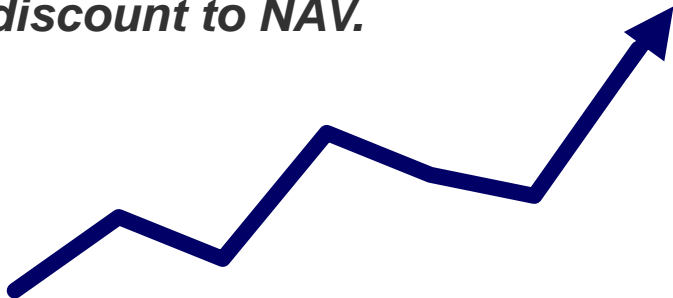
Board of Trustees

Name	Experience
Ben Rodney	<ul style="list-style-type: none"> Chairman of The Board Principal and Managing Partner of RFA Capital Chair of Artis REIT Board of Trustees
Floriana Cipollone	<ul style="list-style-type: none"> Vice President and Chief Financial Officer of MCAN Mortgage Corp Director at Minto Group Inc Former Chief Financial Officer of Plaza Retail REIT and Charter REIT
Brad Cutsey	<ul style="list-style-type: none"> President of InterRent REIT Former Managing Director, Real Estate Investment Banking at Dundee Capital Markets
Nick Lagopoulos	<ul style="list-style-type: none"> Principal and Managing Partner of RFA Capital Previously with GE Capital and Credit Suisse
Kelly Hanczyk	<ul style="list-style-type: none"> See Bio under Management Team

Key Takeaways

Nexus provides investors with the opportunity to participate in an industrial-focused investment vehicle that acquires and operates quality real estate assets across Canada at a valuation that represents a significant discount to NAV.

At the recent \$8.26 trading price, the REIT's units are trading at an attractive 19% discount to NAV.



1. Pro forma completion of the London acquisition

1. Robust pipeline of industrial acquisition opportunities
2. Opportunity for multiple expansion, with the REIT trading at roughly half of industrial multiples on a portfolio that is 67% industrial by NOI⁽¹⁾
3. We have ample liquidity
4. Attractive current distribution yield at approximately 7.75%
5. Conservative capital structure with Debt to Assets of ~48%
6. AFFO Payout Ratio coming into the crisis was sub 80%; 82% for 2020
7. Diversified portfolio of high-quality assets in markets with positive industry fundamentals
8. Agreement to sell excess land in Montreal could result in significant windfall for the REIT
9. Richmond, BC value creation expected to result in an increase in the REIT's NAV
10. Strong historical performance with consistent AFFO per unit and NOI growth



Nexus REIT

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