

Nexus Real Estate Investment Trust Investor Presentation

“Canada’s next Pure Play Industrial REIT”



Notice to the Reader

ABOUT THIS PRESENTATION

No reliance may be placed for any purpose whatsoever on the information contained in this presentation or the completeness or accuracy of such information. No representation or warranty, express or implied, is given by or on behalf of Nexus REIT (the “REIT”), or its unitholders, trustees, officers or employees or any other person as to the accuracy or completeness of the information or opinions contained in this presentation, and no liability is accepted for any such information or opinions.

FORWARD-LOOKING INFORMATION

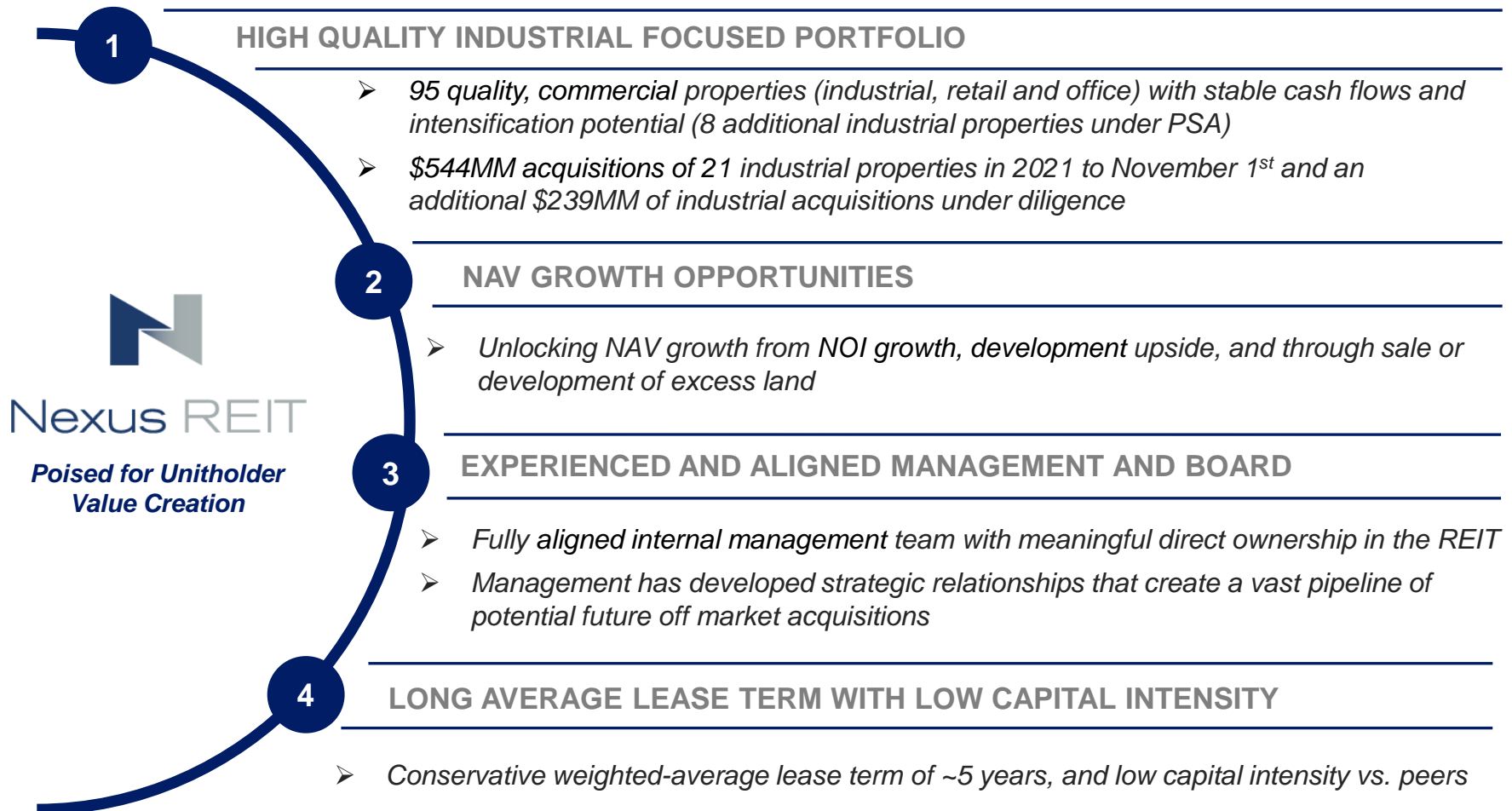
This presentation contains forward-looking statements which reflect the REIT’s current expectations and projections about future results. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the REIT to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this presentation. Such forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to: the ability of the REIT to obtain necessary financing or to be able to implement its business strategies; satisfy the requirements of the TSX with respect to the plan of arrangement; obtain unitholder approval with respect to the plan of arrangement; the level of activity in the retail, office and industrial commercial real estate markets in Canada, the real estate industry generally (including property ownership and tenant risks, liquidity of real estate investments, competition, government regulation, environmental matters, and fixed costs, recent market volatility and increased expenses) and the economy generally. While the REIT anticipates that subsequent events and developments may cause its views to change, the REIT specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the REIT’s views as of any date subsequent to the date of this presentation. Although the REIT has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the REIT.

This presentation includes industry data and forecasts obtained from independent industry publications, market research and analyst reports, surveys and other publicly available sources and in certain cases, information is based on the REIT’s own analysis and information or its analysis of third-party information. Although the REIT believes these sources to be generally reliable, market and industry data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy and completeness of this data is not guaranteed. The REIT has not independently verified any of the data from third party sources referred to in this presentation nor ascertained the underlying assumptions relied upon by such sources.

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

76% of NOI (~80% proforma acquisitions)

***Stable Cash Flow, 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

16% of NOI

***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

8% of NOI

***Majority of Urban Office Assets
Located in the Downtown Montreal
Core***

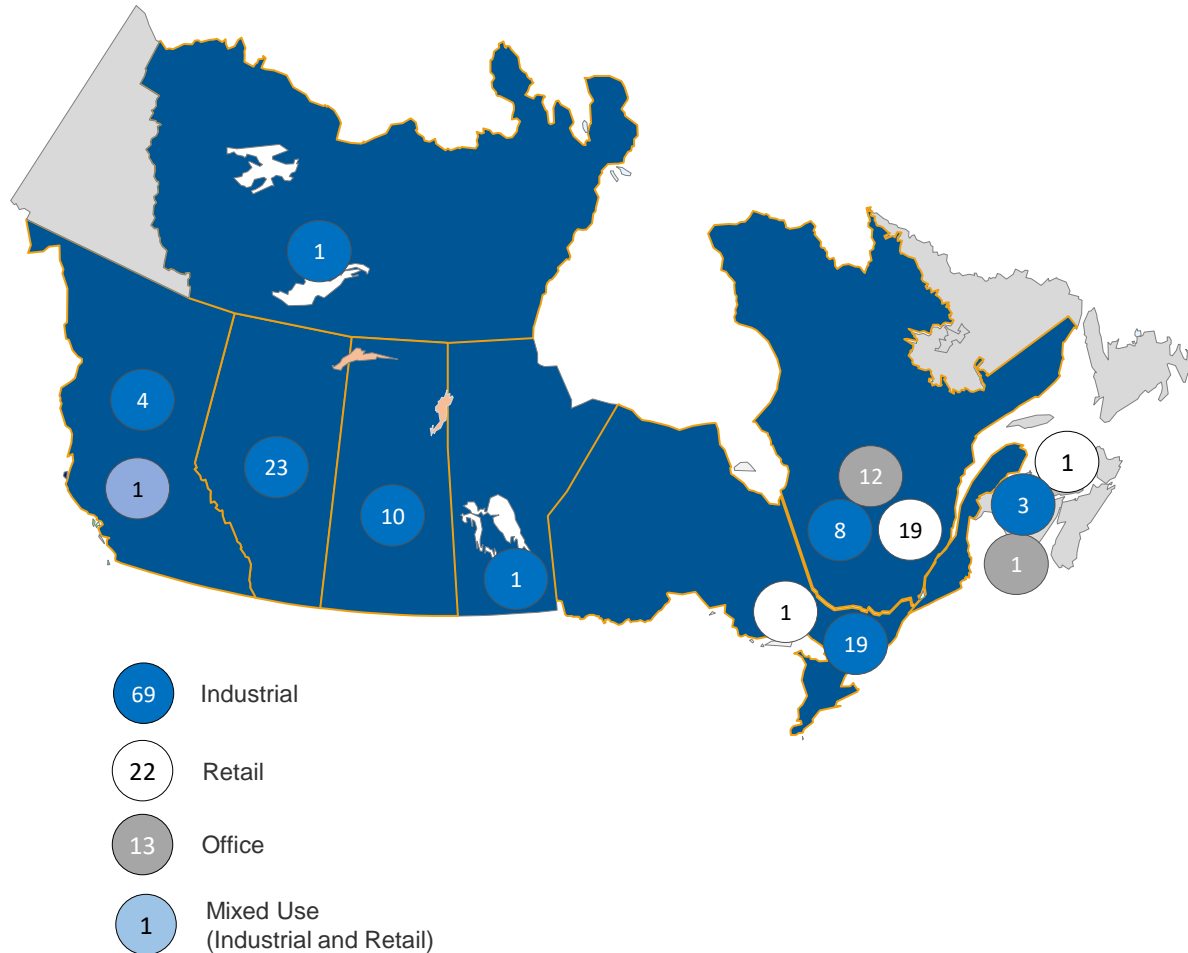
- Tenants include, Sunlife, Dicom, Xerox, The Notaries of Quebec, Public Works Government and Service Canada
- Concentration of Old Montreal character properties



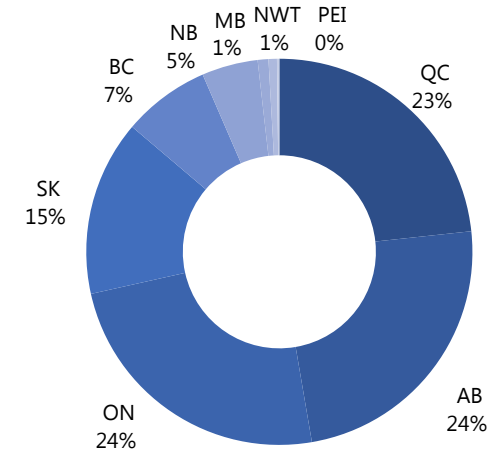
Nationwide Asset Base¹

103 properties located across Canada

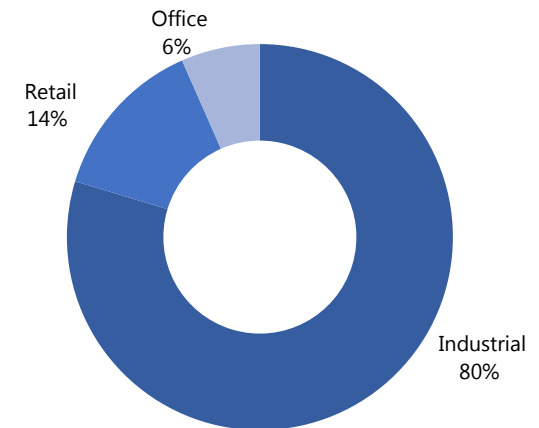
(pro forma the acquisition of 8 industrial properties under contract)



Pro Forma NOI by Geography

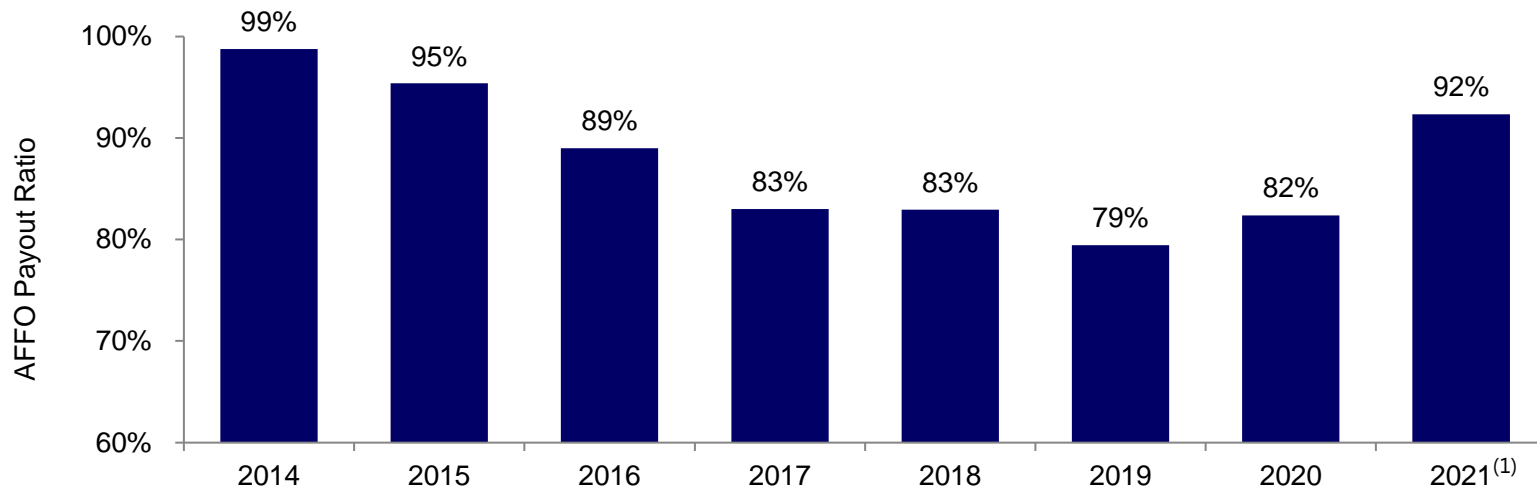


Proforma NOI by Asset Class



Demonstrated Track Record of Success

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



1. YTD 2021 Q2.

- The YTD Q2 2021 AFFO Payout Ratio was impacted by an equity raise completed in March 2021, with the cash not yet fully deployed in Q2 2021 to complete planned accretive acquisitions, as well as a \$103.5MM acquisition completed on April 1st with approximately 65% of the purchase price being settled in units. The properties acquired were subsequently financed to balance the REIT's capital structure and generate funds available to complete additional acquisitions.

Delivering Year Over Year Accretive Growth

- 2021 to date, the REIT has acquired 21 industrial properties for \$543.7MM.
- 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.

2021 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 lower than appraisal values.**
- 3 **Many vendors continue to take units as partial purchase price consideration.**



Date Closed	City	GLA (at share)	Purchase Price		Highlights
March 1, 2021	2 Properties in Edmonton, AB	108,156 sf	\$14.0 MM		Vendor received \$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		\$65.6MM (63%) of the purchase price was satisfied by the vendor taking Class B LP Units.
June 10, 2021	Red Deer, AB	153,052 sf	\$16.3 MM		Acquired a Class A building in Red Deer, AB with Chrysler as the tenant. The building is one of Chrysler's three distribution centers in Canada.
June 11, 2021	St. Thomas, ON	130,500 sf	\$13.8 MM		Sale leaseback with a 10-year lease of a newly built Class A building with 32' clear heights.
June 14, 2021	Windsor, ON	120,000 sf	\$14.7 MM		Sale leaseback with 15-year lease of a newly constructed Class A building with 32' clear heights.
July 2, 2021	Calgary, AB and Winnipeg, MB	205,380 sf	\$44.0 MM		Acquired two class A buildings with long term leases with a strong covenant tenant. As partial satisfaction of the purchase price the vendor received \$15.4MM in Class B LP units.
July 16, 2021	Edmonton, AB	104,727 sf	\$12.1MM		Acquired a single tenant industrial building in Edmonton, AB from AIMCo. The building is a distribution facility with a long-term lease in place.
July 23, 2021	Edmonton, AB	210,750 sf	\$19.7MM		Acquired a multi-tenant industrial warehousing facility in Edmonton, AB. Iron Mountain occupies ~50% of the building on a long-term lease.

2021 Acquisitions Continued

Date Closed	City	GLA (at share)	Purchase Price	Capitalization Rate	Highlights
September 9, 2021	Red Deer, AB	189,625 sf	\$19.8MM		Acquired a single tenant distribution center in Red Deer, AB. The location is one of Peavey Industries 2 distribution centers in Canada.
October 1, 2021	1 Regina, SK and 2 Moncton, NB	1,380,465 sf	\$230.4MM		Acquired a 3-property portfolio in Regina and Moncton. The properties are Class A single tenant distribution centers leased to Loblaw's and Shoppers Drug Mart on long term leases.
October 13, 2021	Windsor, ON	101,073 sf	\$11.5MM		Acquired a single tenant manufacturing and distribution facility in Windsor, ON. The location is leased to Dakota Automated Systems, a provider of cockpits to the automotive industry.
November 1, 2021	London, ON	380,486 sf	\$44.1MM		Acquired a multi-tenant industrial building in London, ON. \$28.5MM (65%) of the purchase price was satisfied by the vendor taking Class B LP Units.
Acquisitions Under Contract	8 Industrial Properties Across Canada	~1.43MM sf	\$239.1MM		\$61.7MM of the purchase price to be satisfied by issuing Class B LP Units. Expected closings: Nov 19, 2021 (1 property) Dec 9, 2021 (1 property) Jan 4, 2022 (4 properties), Jan 6, 2022 (1 property, and the last property is having an addition constructed pre-acquisition - closing date not before late 2022 / to be determined.
Total	29 Properties	5.7MM sf	\$782.8MM	5.72%	The REIT has substantially grown assets through unit deals and equity raises. Proforma acquisitions under contract, vendors will have received \$180.2 MM in units, helping grow the REIT's market cap and preserving cash for future deals.



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), and \$120MM to \$136MM (Q3 2021) highlighting the significant inherent value of the property; offering 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 and \$34.25 psf net rent (Phase 2A). This is expected to be completed in December 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 2A Redevelopment Value Creation Underway



Purchase Price	\$57.4MM
Acquisition Cap Rate	6.50%
In-Place NOI	\$3.1MM
Development Investment	\$6.1MM
Post-Development NOI	\$5.1MM
Stabilized Cap Rate	4.00%
Stabilized Property Value	\$128MM

Phase 2A Unitholder Value Created ~\$32MM¹

¹ Pursuant 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.

Value Creation – Halles d'Anjou

Overview

- The REIT and the REIT's partner are in negotiation to sell excess land at 7500 Boulevard les Galeries d'Anjou. The purchaser intends to build residential units on the land. The purchase price is expected to be approximately \$25MM (at 100% interest – the REIT owns 50% of the property)
- The first payment to the REIT and its partner is likely to be in the very late fall of 2021 or early 2022.



Value Creation

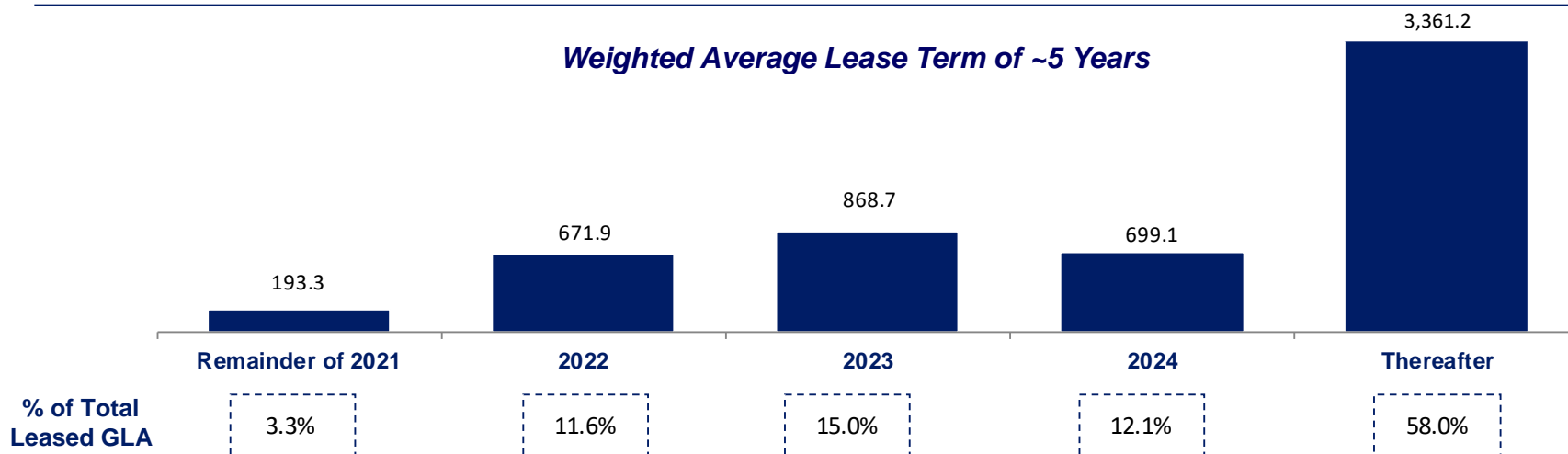


Highlights

- 1 ***Capitalize on land value while maintaining the property's income to the REIT. The REIT expects ~\$10MM to \$13MM of NAV growth.***
- 2 ***Increase the attractiveness of our retail property while also increasing foot traffic to the retail property.***
- 3 ***The land sale will provide the REIT with cash to deploy on industrial acquisitions to further create shareholder value.***

Lease Expiries and Occupancy

Lease Expiry Schedule (Square Feet, '000s) at June 30, 2021



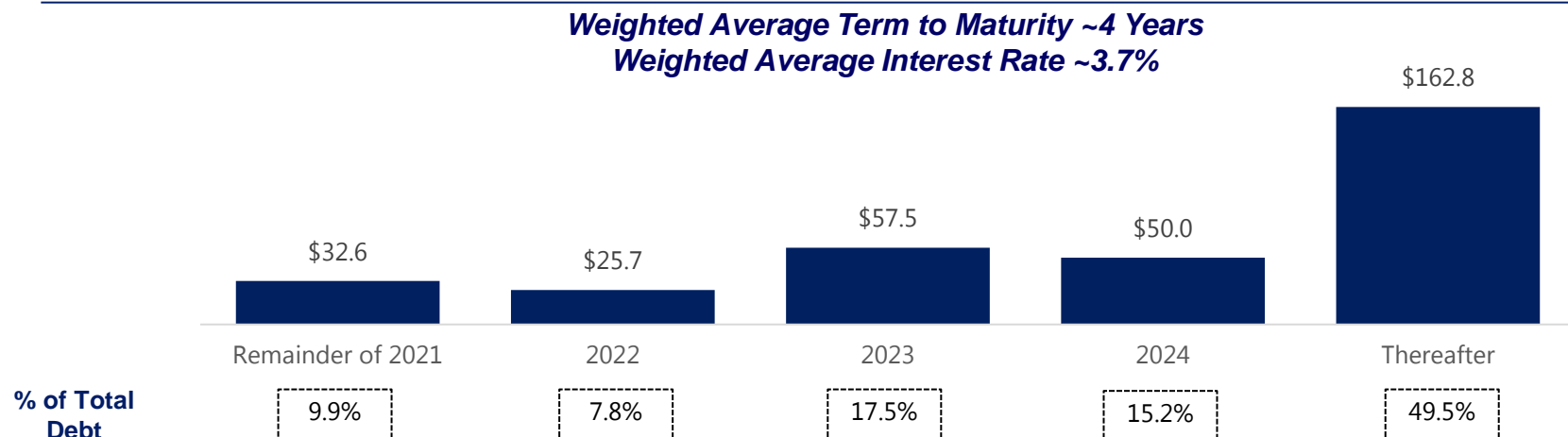
Occupancy by Asset Class at June 30, 2021

	GLA (at share)	Occupancy
Industrial	2,502,070	98.9%
Retail	1,310,276	90.8%
Office	552,895	83.8%
Total (Excl. Dev.)	5,936,856	95.7%
Development	171,274	65.0%
Total	6,108,130	94.9%



Liquidity & Debt Maturities

Debt Repayment Schedule (\$MM) as at June 30, 2021



Liquidity

- As at June 30, 2021 the REIT had \$7.1MM of cash.
- \$45.5MM of credit facilities undrawn at June 30, 2021.
- The REIT completed a \$112.1MM bought deal equity financing on August 23, 2021, in part to fund the \$230MM acquisition of 3 distribution centres on October 1, 2021.
- Sufficient liquidity to complete the acquisitions of properties under contract and additional industrial acquisitions in 2021.
- No significant near-term mortgage maturities and expectation is that maturing mortgages will be refinanced on reasonable terms.

Benefiting from a Strategic Investor and Partner



Overview:

- Privately held real estate investment and asset management firm
- Owns ~10% 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
Justine Delisle	<ul style="list-style-type: none"> Partner with Richter Previously held positions of Vice-President, Family Account Management, Manager, Family Account Management, Manager, and Staff Accountant / Senior Auditor with Richter
Louie DiNunzio	<ul style="list-style-type: none"> Senior Vice President, Investments at Cadillac Fairview Director of WPT REIT Formerly held senior positions within the investment banking industry at both BMO Nesbitt Burns Inc. and Merrill Lynch Canada.
Kelly Hanczyk	<ul style="list-style-type: none"> See Bio under Management Team

Favourable Pricing Metrics

	Last Price ⁽¹⁾	Units O/S	Market Cap ⁽²⁾	Distribution	Current Yield	FFO 2021E	Price / FFO 2021E	AFFO 2021E	Price / AFFO 2021E	NAV	Prem./Disc. to NAV
Nexus REIT	\$ 13.34	70.1	\$ 935	\$ 0.64	4.80%	\$ 0.80	16.7x	\$ 0.74	18.1x	\$ 11.43	16.7%
Industrial REITs											
Dream Industrial REIT	\$ 17.43	227.8	\$ 3,971	\$ 0.70	4.02%	\$ 0.79	22x	\$ 0.70	24.9x	\$ 15.75	10.7%
Granite REIT	\$ 100.54	65.7	\$ 6,605	\$ 3.00	2.98%	\$ 3.97	25.3x	\$ 3.67	27.4x	\$ 86.17	16.7%
Summit Industrial REIT	\$ 23.89	174.4	\$ 4,166	\$ 0.56	2.34%	\$ 0.69	34.9x	\$ 0.60	39.9x	\$ 18.85	26.7%
Weighted Industrial Average					3.00%				28.5x		14.9%

- Pro forma announced acquisitions, Nexus will have an approximately 80% industrial weighting.
- Nexus trades at an 18.1x multiple of 2021 analyst consensus AFFO per unit as compared to an average of over 25x for its industrial REIT peers.
- Current valuation provides substantial trading price upside as Nexus continues moving towards becoming a pure play industrial REIT.

1. Based on trading price as at November 4, 2021

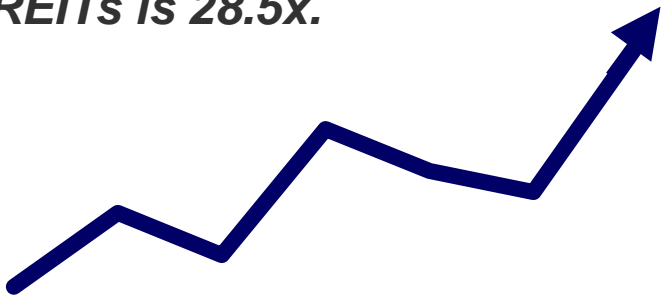
2. Millions of Dollars

3. Analyst Consensus

Key Takeaways

Nexus provides investors 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 compared to industrial REITs.

At the recent \$13.34 trading price, the REIT's units are trading at a 18.1x multiple of 2021E AFFO per unit. The average multiple for industrial REITs is 28.5x.



1. Robust pipeline of industrial acquisition opportunities with opportunity to add significant GLA to existing assets in the London Ontario market.
2. Opportunity for multiple expansion, with the REIT trading at roughly half of industrial multiples on a portfolio that is 80% industrial by NOI (pro forma announced acquisitions)
3. The REIT has access to ample liquidity
4. Attractive current distribution yield at ~ 5%
5. Conservative capital structure with Debt to Assets less than 50%
6. AFFO payout ratio coming into the crisis was sub 80%; 82% for 2020
7. Agreement to sell excess land in Montreal could result in significant windfall for the REIT
8. 74,000 sf addition at Richmond, BC has the potential to create more than \$20MM in value
9. Strong historical performance with consistent AFFO per unit and NOI growth



Nexus REIT

Kelly Hanczyk
CEO

Phone: (416) 906-2379
Email: khanczyk@nexusreit.com

Rob Chiasson
CFO

Phone: (416) 613-1262
Email: rchiasson@nexusreit.com