

# INOVALIS

---

REAL ESTATE INVESTMENT TRUST

---

## FOR IMMEDIATE RELEASE

### Inovalis REIT Completes its First Acquisition in Spain

Toronto, Ontario, April 11, 2022 – Inovalis Real Estate Investment Trust (TSX: INO.UN) ("Inovalis REIT") today announced that it has entered the Spanish real estate market with the purchase of two connected office buildings in Alcobendas, north of Madrid. The high-quality, modern office buildings, with approximately 118,400 SF of leasable space, are fully let to two blue-chip tenants from the aeronautical sector.

The leases are in line with market standards, including an annual indexation of rents to cover inflation and the full recovery of operating expenses. Current rents are lower than market levels, however the Inovalis S.A., the manager of the REIT, expects to align the rents with other competing assets over time, by improving the certifications and the cosmetic aspects of the asset at minor cost, offering tenants more services and a better experience in the building.

The property is part of the Arroyo de la Vega market, an established office area strategically located a short distance from downtown Madrid and the Madrid Barajas International Airport. It is near the A-1 highway, a major roadway that connects many corporate headquarters with Madrid. The building includes 250 parking spaces, modern and flexible space with state-of-the art equipment and great synergy for both tenants. It was built in 2001 and was recently refurbished.

Inovalis S.A. has been actively pursuing assets in the Spanish market since 2017 and now manages 10 assets in 5 cities, totalling \$205 million of assets under management.

"We are thrilled to have closed our first transaction in Spain and our second acquisition of the year," said Khalil Hankach, Chief Investment Officer of Inovalis REIT. "It is a result of Inovalis S.A.'s deep understanding and proven track record in asset management in this important and competitive market, where we have successfully negotiated leases, managed projects and executed a range of value-enhancing measures. Our asset management team builds long-term trusting relationships with tenants with a focus on enhancing the quality of our buildings and optimising tenants' office experience. The REIT will pursue its growth strategy in the Spanish real estate market and portfolio enhancement through our innovative and hands-on asset management."



### The Transaction

Inovalis acquired the property from MERLIN Properties. It led the acquisition and sourced the financing conducted by Targobank.

Inovalis S.A. is a French fund manager with 25 years' experience with all asset classes and with expertise in all principal fields of real estate. Capitalizing on its experience, Inovalis S.A. has the ambition to continue its expansion in the main real estate markets of Spain and to continue to focus on improving its properties to

meet international environmental standards and certifications and on the quality of its servicing to tenants.

### **Investing in Spain**

Inovalis REIT's decision to invest in Spain is driven by its confidence in the strengths of the market, with a balanced risk/reward ratio, a positive outlook and potential for growth. The country's economy is based on solid fundamentals, being central to Europe and throughout the world (with strong cultural and economic ties to South America). Under the EU's long-term budget, coupled with NextGenerationEU, Spain is expected to receive up to \$192 billion to be invested until 2026.

### **The Spanish Real Estate Market**

Spain's real estate market is well-developed with significant depth: office stock of more than 140 million SF for Madrid and almost 75 million SF for Barcelona. International investors were involved in approximately 80% of all real estate transactions in the country in 2021, and the market is supported by national, European and international financial institutions. Market liquidity continues to grow as both Madrid and Barcelona are now in the top 10 of investment projections in Europe for 2022. Spain is also attracting more businesses to its cities: Madrid has the fifth highest start-up density across Europe and Barcelona is well-regarded for its digital and innovative talent.

The Spanish market offers relatively high yields, low capital values and rents compared to other markets in major European cities. It also offers attractive opportunities in established and mature locations difficult to source elsewhere in Europe when assessing comparable risk and yields. In Inovalis' experience, short term value creation is also possible by converting properties into prime assets within their micro locations and with a minimal capital effort by improving the ESG compliance of the properties, their visibility and identity.

### **Forward Looking Statements**

Certain statements contained in this news release may constitute "forward-looking information" within the meaning of applicable securities laws that involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. The use of any of the words "anticipate", "continue", "estimate", "expect", "intend", "may", "will", "project", "should", "believe", "confident", "plan" and "intends" and similar expressions are intended to identify forward-looking information, although not all forward-looking information contains these identifying words. Specifically, forward-looking information in this news release includes, but is not limited to, statements made in relation to: the acquisition of a new asset in Madrid and the REIT's corporate objectives. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events, performance, or achievements of the REIT to differ materially from those anticipated or implied by such forward-looking information. The REIT believes that the expectations reflected in the forward-looking information included in this news release are reasonable but no assurance can be given that these expectations will prove to be correct. In particular there can be no assurance that: the REIT will achieve any of its corporate objectives. Given these uncertainties, readers are cautioned that forward-looking information included in this news release are not guarantees of future performance, and such forward-looking information should not be unduly relied upon. More information about the risks and uncertainties affecting the REIT's business and the businesses of its royalty partners can be found in the "Risk Factors" section of its Annual Information Form and in its most recent Management's Discussion and Analysis, copies of each of which are available under the REIT's profile on SEDAR at [www.sedar.com](http://www.sedar.com). All of the forward-looking statements made in this news release are qualified by these cautionary statements and other

cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the REIT. The forward-looking information included in this news release is presented as of the date of this news release and the REIT assumes no obligation to publicly update or revise such information to reflect new events or circumstances, except as may be required by applicable law.

#### **About Inovalis REIT**

Inovalis REIT is a real estate investment trust listed on the Toronto Stock Exchange. It was founded in 2013 by Inovalis S.A. and invests in office properties in primary markets of France, Germany and Spain. It holds 14 assets representing \$643 million of assets under management. Inovalis REIT acquires real estate properties indirectly via CanCorpEurope, an Alternative Investment Fund authorized by the CSSF in Luxemburg, and managed by INOVALIS S.A.

#### **About Inovalis Group**

Inovalis S.A. is a French Alternative Investment fund manager, authorized by the French Securities and Markets Authority (AMF) under AIFM laws. Inovalis S.A. and its subsidiaries (Advenis S.A., Advenis REIM) invest in and manage Real Estate Investment Trusts such as Inovalis REIT, open ended funds (SCPI) with stable real estate focus such as Eurovalys (for Germany) and Elialys (Southern Europe), Private Thematic Funds raised with Inovalis partners to invest in defined real estate strategies and direct Co-investments on specific assets

Inovalis Group ([www.inovalis.com](http://www.inovalis.com)), founded in 1998 by Inovalis SA, is an established pan European real estate investment player with \$10 billion of assets under management and with offices in all the world's major financial and economic centers in Paris, Luxembourg, Madrid, Frankfurt, Toronto and Dubai. The group is comprised of 300 professionals, providing Advisory, Fund, Asset and Property Management services in Real Estate as well as Wealth Management services.

#### **SOURCE** Inovalis Real Estate Investment Trust

For further information, please contact:

**David Giraud, Chief Executive Officer**  
Inovalis Real Estate Investment Trust  
Tel: +33 1 5643 3323  
[david.giraud@inovalis.com](mailto:david.giraud@inovalis.com)

**Khalil Hankach, Chief Financial Officer**  
Inovalis Real Estate Investment Trust  
Tel:+33 1 5643 3313  
[khalil.hankach@inovalis.com](mailto:khalil.hankach@inovalis.com)