
INOVALIS REAL ESTATE INVESTMENT TRUST ANNOUNCES THE CONDITIONAL SALE OF 87.5% OF THE ARCUEIL PROPERTY FOR €37.5 MILLION

Toronto, Ontario, January 9, 2025 – Inovalis Real Estate Investment Trust (the “REIT”) (TSX: INO.UN) today announced the signing of an exchange contract for the sale of 87.5% of the Arcueil property to two parties for €37.5 million (\$56.5 million) which reflects, on a pro-rated basis, 100% of the property’s appraised value of €45.0 million (\$67.8 million) as set forth in the Q3 unaudited Financial Statements of the REIT.

The sale is conditional upon the satisfaction of certain conditions including the issuance of a building permit, the receipt of financing by the purchasers as well as other municipal approval and environmental conditions. There is no certainty, nor can the REIT provide any assurance, that these conditions will be satisfied and, as such, there is no assurance that the transaction will be completed, or if completed, will be on the terms set forth herein. Any material difference in the terms of the transaction will be disclosed if and when they occur.

The expected net proceeds from this transaction after the full repayment of bank debt related to the property is expected to be approximately €6.2 million (\$9.3 million) and would be used for capital expenditures relating to the re-positioning and/or re-development of currently owned properties and further reducing the REIT’s indebtedness. The closing of the transaction is only expected to take place at the earliest in the second half of 2026. The remaining 12.5% of the property is being marketed separately.

FORWARD-LOOKING INFORMATION

Certain statements contained, or contained in documents incorporated by reference, may 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, 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 the sale of the Arcueil property, 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 press release as well as the following:

- (i) the ability to complete the sale of the Arcueil property;
- (ii) the ability to continue to receive financing on acceptable terms;

- (iii) the future level of indebtedness and the REIT's future growth potential will remain consistent with current expectations;
- (iv) there will be no changes to tax laws adversely affecting the REIT's financing capability, operations, activities, structure, or distributions;
- (v) the REIT will retain and continue to attract qualified and knowledgeable personnel as the portfolio and business grow;
- (vi) the impact of the current economic climate and the current global financial conditions on operations, including the REIT's financing capability and asset value, will remain consistent with current expectations;
- (vii) there will be no material changes to government and environmental regulations that could adversely affect operations;
- (viii) conditions in the international and, in particular, the French, German, Spanish and other European real estate markets, including competition for acquisitions, will be consistent with past conditions; and
- (ix) 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 press release 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 growth 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;
- fluctuation in interest rates and volatility in financial markets;
- the geopolitical conflict 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 "Risk and Uncertainties" in the MD&A dated September 30, 2024 ("the 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" in the MD&A 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 press release 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 press release. All forward-looking statements are based only on information currently available to the REIT and are made as of the date of this press release. 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 press release are qualified by these cautionary statements.

About Inovalis REIT

Inovalis REIT is a real estate investment trust listed on the Toronto Stock Exchange in Canada. It was founded in 2013 by Inovalis and invests in office properties in primary markets of France, Germany and Spain. It holds 13 assets. Inovalis REIT acquires (indirectly) real estate properties via CanCorpEurope, authorized Alternative Investment Fund (AIF) 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), founded in 1998 by Inovalis SA, is an established pan European real estate investment player with EUR 7 billion of AuM 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

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