

## INOVALIS REAL ESTATE INVESTMENT TRUST ANNOUNCES PLANS FOR ARCUEIL ASSET UPON RECEIPT OF FORMAL NOTICE OF NON-RENEWAL FROM LONG TERM TENANT

Toronto, Ontario, November 4, 2022 – Inovalis Real Estate Investment Trust (the “REIT”) (TSX: INO.UN) announced that it is advancing its plans to redevelop and revitalize the 110,000 square foot Arcueil property located in the prime Vache Noir urban district of Paris now that it has received formal notice from Orange S.A. the sole tenant of the property, that it will not be renewing its lease.

In August, the Board of Trustees already contemplated the risk of non-renewal of the Orange S.A. lease when it reduced the REIT’s annual distributions to Unitholders by 50%. This conservative measure was adopted in part due to the uncertainty about this lease renewal as well as the anticipated reduction in revenue from the other strategic vacancies in properties of the REIT being marketed for sale and redevelopment. Orange has now confirmed it will vacate the property in mid-2023. This lease currently represents 28% of the REIT’s overall property portfolio and contributes 36% towards the REIT’s annual rental revenue.

The REIT had previously adjusted the book value of the Arcueil property and deducted potential leasing costs based on the assumption there was a 75% chance of non-renewal. As a result of such changes, the book value of the property was previously reduced by 12%.

The delivery of the formal notice of non-renewal now allows the REIT to advance its alternative plans for mixed use re-development of this asset that will offer LEED certified best-in-class operational, environmental, life-safety and health and wellness systems. Inovalis S.A., the REIT’s manager, has a proven track record of transforming real estate projects using specialized financing structures to significantly enhance workspace environments.



 Stéphane Amine, President of the REIT said *“Management is developing plans for a multi-use redevelopment of this 335,000 square foot asset. Its strategic location, 5 minutes away from Paris southern ring road and the planned focus on LEED certification will elevate this asset to the category of prime assets that are so greatly in demand in central Paris. Management is exploring strategic financing structures similar to that used for the 2016 – 2018 Rueil redevelopment project that provided a 20% return to Unitholders. We are very excited about this welcome opportunity.”*

### 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 impact that the non-renewal of the sole lease on the Arcueil property may have on the REIT’s overall financial condition. 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 in Canada. It was founded in 2013 by Inovalis and invests in office properties in primary markets of France, Germany and Spain. It holds 14 assets representing 470 million Euros of AuM. 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](http://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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