inovalis REIT

PRESS RELEASE

INOVALIS REAL ESTATE INVESTMENT TRUST ANNOUNCES FINANCIAL RESULTS FOR THE FOURTH QUARTER AND YEAR ENDED DECEMBER 31, 2023

Toronto, Ontario, March 28, 2024 – Inovalis Real Estate Investment Trust (the “REIT”) (TSX: INO.UN) today reported financial results for the quarter ended December 31, 2023. The audited Consolidated Financial Statements and Management’s Discussion and Analysis ("MD&A") for Q4 2023 are available on the REIT’s website at www.inovalisreit.com and at www.sedarplus.ca[1]. All amounts except rental rates, square footage and per unit amounts are presented in thousands of Canadian dollars or Euros, or as otherwise stated.

Stephane Amine, CEO and President of the REIT, commented *“2023 was a challenging year in the office real estate market here in Europe and around the world. Maintaining the REIT’s positive cash flow, negotiating competitive debt renewals and ensuring sufficient liquidity to cover operational expenses and financial obligations will be key in 2024. Unitholders can be reassured that our commitment to their investment and the long-term success of our REIT remains unwavering.”*

HIGHLIGHTS

Net Rental Income

For the portfolio that includes assets owned entirely by the REIT (“IP Portfolio”), Net Rental Income (“NOI”) for the three months ended December 31, 2023 (“Q4 2023”) decreased significantly to CAD$4,084 (EUR€2,798) compared to CAD$6,705 (EUR€4,894) for the three months ended December 31, 2022 (“Q4 2022”). This aligned with our expectations given the vacancy of the Arcueil property since July 1, 2023.

For the year ended December 31, 2023, the IP Portfolio NOI was CAD$23,216, an increase of CAD$1,583 compared to the same period last year. The main contributing factors to this increase were the full 2023 impact of the two acquisitions that took effect at the end of Q1 2022, Gaia and Delgado, for a total of CAD$1,341 (EUR 919), added to a CAD$1,413 (EUR 968) positive foreign exchange impact. The Orange indemnity, negotiated in Q2 2023 (CAD$2,320 EUR1,590) upon the sole tenant’s departure from the Arcueil property partly offset the negative rental income impact of the half year vacancy of the Arcueil property.

Leasing Operations

As at December 31, 2023, occupancy of the REIT’s IP Portfolio was 54.1% and occupancy of the REIT’s Total Portfolio was 64.2%, largely affected by the half year vacancy of Arcueil and the 20% space vacated by the main tenant at the Neu-Isenburg property.

Management is considering short and long-term rental opportunities for the Sabliere office property to generate revenue during the City Hall approval process for redevelopment. Subsequent to the quarter, a new two-year lease was signed representing 13% of the Sabliere leaseable space, replacing a departing tenant and increasing the building’s net rental income and service charge recoverability.

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1 This press release contains certain Non-GAAP and other financial measures. Refer to "Non-GAAP Financial Measures and Other Financial Measures" in this press release for a complete list of these measures and their meaning.

Steady interest from prospective tenants throughout 2023, for both long and short-term leases, reaffirms confidence in our Parisian, German and Spanish portfolio. To bolster leasing efforts, notably with on-field brokers, management is selectively undertaking tenant improvements to attract tenants and maximize rent.

Asset Recycling Plan

The Arcueil (Fair Value CAD$85,703), Sabliere (Fair Value CAD$27,493) and Baldi properties (Fair Value CAD$26,762) are being marketed for sale as part of the REIT's previously announced Asset Recycling Plan. These are mature assets where management believes value can be maximized. Upon the sale of these properties management and the Board will consider the best uses of the new capital including the options to pay down debt, make capital investments to support leasing, invest in redevelopment opportunities and make opportunistic acquisitions.

Joint Venture ("JV") Arrangement Wind Up

Management is executing on its previously announced commitment to wind up the current joint ventures in accordance with their respective agreements. Seller representation agreements were signed in January 2024 for each of the Stuttgart and Duisburg properties and the properties are being actively marketed. JV arrangements for the Kosching and Neu Isenburg properties had expiry terms in early 2025 however a one-year extension has been arranged for the Kosching property and negotiations are underway for an extension of the Neu Isenburg JV arrangement. The JV arrangement for Delizy does not expire until 2029.

Capital Market Considerations

Throughout 2023, there was significant downward pressure on net asset values due to volatile economic conditions driven by high inflation and energy costs in the Euro-zone. Unitholders' equity as at December 31, 2023 was CAD$246,397 (EUR€168,488), which implies a book value per Unit at that date of CAD$7.54/Unit or CAD$7.38/Unit on a fully-diluted basis, using the Weighted Average Number of Units for the period.

The REIT has addressed the volatile risks in the current capital markets by implementing short term leasing initiatives for properties in the REIT's Asset Recycling Plan, maintaining a conservative debt-to-gross-book value ratio (currently 43.6%) and securing fixed rate mortgages.

Funds From Operations and Adjusted Funds From Operations

In Q4 2023, due to the vacancy and increased finance costs, the REIT reported FFO and AFFO per Unit of CAD$0.01 and full year 2023 FFO of CAD$0.43 which was in line with management's forecast.

Financing Activity

The REIT is financed almost exclusively with asset-level, non-recourse financing with an average term to maturity of 2.9 years for the Total Portfolio (3.2 years for the IP Portfolio).

In Q4 2023, after an interim extension, the CAD$17,765 mortgage loan on the Stuttgart property that matured in May 2023 was successfully extended for one year until August 2024. This short-term extension will allow management to reassess the strategy and try and obtain improved financing terms before this new expiration date.

For the year ended December 31, 2023, the weighted average interest rate across the Total Portfolio was 2.75% compared to 1.93% at December 31, 2022. For the year ended December 31, 2023, the weighted average interest rate across the IP Portfolio was 2.62% for compared to 1.91% at December 31, 2022. This increase reflects the higher interest rate on the Stuttgart mortgage loan and the additional interest cost of unhedged contracts on Sabliere, Arcueil and

Delizy properties. As at December 31, 2023, 52.1% of the REIT's debt for the Total Portfolio was at fixed interest rates (47.6% on the IP Portfolio).

In early March 2024, the European Central Bank ("ECB") announced that key lending rates remained unchanged and inflation has declined further. ECB staff have revised their growth projection for 2024 down to 0.6%, with economic activity expected to remain subdued in the near term. Thereafter, the ECB expects the economy to pick up and to grow at the rates of 1.5% in 2025 and 1.6% in 2026, supported initially by consumption and later also by investment. With this outlook, management will continue to seek financing opportunities through its banking networks in Europe, leveraging the quality of its properties, lease terms and high caliber tenants.

General and Administrative Expenses

In 2023, management successfully reduced General and Administrative expenses by 8.2% to CAD$6,405 from CAD$6,974 in 2023, primarily due to the streamlining of administrative processes and a reduction in legal fees.

Subsequent Events

Subsequent to year end, on March 15, 2024, the Trio mortgage loan in the amount of EUR29,673 (CAD$43,394) matured and the REIT was given notice that the three Trio entities are in breach of their obligation to repay the loan. The lender has exercised its right to charge 5% default interest on the loan in addition to the Deutsche Bundesbank base interest rate of 3.62% until negotiations on a mortgage renewal conclude. The liquidity risk associated with this default is confined to default interest payments during the default period. If recourse is made to the guarantees provided by the REIT, the risk would entail the loss of Trio's contribution to the REIT's equity, without compromising its liquidity.

Management has been and remains in discussions with the lender regarding its options to extend the loan or refinance the Trio property. The REIT has scheduled further negotiations with the lender in early April.

Subsequent to year end, one-year mortgage extensions for the Neu Isenburg and Kosching mortgage loans that had matured at the end of 2023 and January 2024 were secured. This strategy to obtain such mortgage extensions is intended to facilitate the eventual exit from the joint venture ownership of these properties.

Environmental, Social and Governance (ESG)

Integrating ESG objectives and strategies into the REIT's business reflects the growing importance these factors play with many of our key stakeholders. Investors recognize the risks associated with changing regulatory requirements, tenants are including sustainability considerations in their leasing decisions, and employees want to work for responsible and socially-focused organizations. The REIT is working to improve its long-term environmental performance, and also investing in "human capital" for the implementation and monitoring of all ESG initiatives.

The Spanish property Delgado is pursuing LEED Platinum certification.

On the German portfolio, offers for a green electricity procurement policy are to be received in 2024, in addition to the implementation of smart water-saving equipment.

The social aspect of the ESG policy is also a critical point in the upcoming redevelopment projects of Sabliere and Arcueil, where not only bio-climatic zoning plan are or should be adopted, but also where a social diversity and a diversified office-residential equilibrium is requested by the city mayors.

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 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 continue to receive financing on acceptable terms;
(ii) the future level of indebtedness and the REIT's future growth potential will remain consistent with current expectations;
(iii) there will be no changes to tax laws adversely affecting the REIT's financing capability, operations, activities, structure, or distributions;
(iv) the REIT will retain and continue to attract qualified and knowledgeable personnel as the portfolio and business grow;
(v) 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;
(vi) there will be no material changes to government and environmental regulations that could adversely affect operations;
(vii) 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
(viii) 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 MD&A 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.

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.

Non-GAAP Financial Measures and Other Measures

There are financial measures included in this MD&A that do not have a standardized meaning under IFRS. These measures include funds from operations, adjusted funds from operations, and other measures presented on a proportionate share basis. These measures have been derived from the REIT's financial statements and applied on a consistent basis as appropriate. Management includes these measures as they represent key performance indicators to management, and it believes certain investors use these measures as a means of assessing relative financial performance. These measures, as computed by the REIT, may differ from similar computations as reported by other entities and, accordingly, may not be comparable to other such entities. These measures should not be considered in isolation or used in substitute for other measures of performance prepared in accordance with IFRS.

"Adjusted Funds From Operations" or "AFFO" is a meaningful supplemental measure that can be used to determine the REIT's ability to service debt, fund expansion capital expenditures, fund property development, and provide distributions to Unitholders after considering costs associated with sustaining operating earnings.

AFFO calculations are reconciled to net income, which is the most directly comparable IFRS measure. AFFO should not be construed as an alternative to net income or cash flow generated from operating activities, determined in accordance with IFRS.

AFFO is defined as FFO subject to certain adjustments, including adjustments for: (i) the non-cash effect of straight-line rents, (ii) the cash effect of the rental guarantee received, (iii) amortization of fair value adjustment on assumed debt, (iv) capital expenditures, excluding those funded by a dedicated cash reserve or capex financing, and (v) amortization of transaction costs on mortgage loans.

"**Adjusted Funds From Operations / Unit**" or "**AFFO / Unit**" is AFFO divided by the issued and outstanding Units, plus Exchangeable Securities (fully diluted basis).

"**AFFO Payout Ratio**" is the value of declared distributions on Units and Exchangeable Securities, divided by AFFO.

"**Average term to maturity**" refers to the average number of years remaining in the lease term.

"**Book value per Unit**" refers to the REIT's total equity divided by the Weighted Average number of Units and Exchangeable Securities (on a fully diluted basis).

"**Debt-to-Gross-Book Value**" refers to the REIT's apportioned amount of indebtedness respectively in the IP Portfolio and the Total Portfolio. Indebtedness on a IP and Total Portfolio basis is calculated as the sum of (i) lease liabilities, (ii) mortgage loans, (iii) other long-term liabilities, and (iv) deferred tax liabilities. Indebtedness does not include certain liabilities as is the case for the Exchangeable Securities and at the joint venture level for the contribution from the REIT and its partners.

"**Exchangeable Securities**" means the exchangeable securities issued by CanCorpEurope, in the form of interest bearing notes, non-interest bearing notes and variable share capital.

"**Fully diluted basis**" refers to a nominal value divided by the issued and outstanding Units, plus Exchangeable Securities.

"**Funds From Operations**" or "**FFO**" follows the definition prescribed by the Real Estate Property Association of Canada publication on Funds From Operations & Adjusted Funds From Operations, dated January 2023 with one exception.

Management considers FFO to be a meaningful supplemental measure that can be used to determine the REIT's ability to service debt, fund capital expenditures, and provide distributions to Unitholders.

As an exception, considering the significant amount of cash held in Euros in Canada in 2022 and the volatility of the Canadian dollar against the Euro, the unrealized gain (loss) recognized for the three and twelve months ended December 31, 2022, have been excluded from the FFO calculation. Finally, non-recurring administrative expenses relating to items that are not reasonably likely to occur within two years prior to, or following the disclosure, are adjusted have also been excluded from FFO.

FFO is reconciled to net income, which is the most directly comparable IFRS measure. FFO should not be construed as an alternative to net income or cash flow generated from operating activities, determined in accordance with IFRS.

FFO for the REIT is defined as net income in accordance with IFRS, subject to certain adjustments including adjustments for: (i) acquisition, eviction and disposal costs (if any), (ii) net change in fair value of investment properties, (iii) net change in fair value of derivative financial instruments at fair value through profit and loss, (iv) net changes in fair value of Exchangeable Securities, (v) finance costs related to distribution on Exchangeable Securities, (vi) adjustment for property taxes accounted for under IFRIC 21 (if any), (vii) loss on exercise of lease option (if any), (viii) adjustment for foreign exchange gains or losses on monetary items not forming part of an investment in a foreign operation (if any), (ix) gain or loss on disposal of investment properties or an interest in a subsidiary (if any), (x) finance income earned from loans to joint ventures (if any), (xi) loss on extinguishment of loans (if any), (xii) deferred taxes, (xiii) non-controlling interest, (xiv) goodwill / bargain purchase gains upon acquisition, and (xv) income taxes on sale of investment properties and provision for tax reassessment.

Exchangeable Securities are recorded as liabilities. Exchangeable Securities are recorded at fair value through profit and loss in accordance with IFRS. However, both are considered as equity for the purposes of calculating FFO and AFFO, as they are economically equivalent to the REIT's Units, with the same features and distribution rights, that are economically equivalent to the distribution received by Unitholders.

"**Funds From Operations / Unit**" or "**FFO / Unit**" is FFO divided by the issued and outstanding Units, plus Exchangeable Securities (fully diluted basis).

"**Gross book value**" refers to the total consolidated assets for the IP Portfolio and Total Portfolio.

"**Investments in Joint Ventures**" refers to the REIT's proportionate share of the financial position and results of operation of its investment in joint ventures, which are accounted for using the equity method under IFRS in the consolidated financial statements, are presented below using the proportionate consolidation method at the REIT's ownership percentage of the related investment. Management views this method as relevant in demonstrating the REIT's ability to manage the underlying economics of the related investments, including the financial performance and the extent to which the underlying assets are leveraged, which is an important component of risk management.

For the purpose of the proportionate consolidation, the initial investment of both partners in the joint ventures were considered as being equity investments as opposed to a combination of equity and loans and accordingly, the related proportionate consolidation balance sheet items were eliminated as well as the associated finance income and finance costs. As the loans to the joint ventures were considered equity for proportionate consolidation purposes, any impairment recorded on the loans in accordance with IFRS 9 has been reversed for MD&A purposes. As such, any impairment recorded for IFRS purposes results in a difference in equity when reconciling IFRS and proportionate consolidation reporting.

"**Investment Properties Portfolio**" or "**IP Portfolio**" refers to the eight wholly owned properties of the REIT.

"**Net Rental Income Adjusted for IFRIC 21**" refers to Net Rental Income excluding property taxes recorded under IFRIC 21 rules.

"**Net Rental Income**" refers to the rental income plus operating cost recoveries income plus other property revenue, less property operating costs and other costs.

"**Total Portfolio**" refers to the eight properties referred to as the IP Portfolio and the five properties of the REIT held in joint-ownership with other parties.

"Weighted average lease term" or **"WALT"** is a metric used to measure a property portfolio's risk of vacancy and refers to the average period in which all leases in a property or portfolio will expire. It is calculated as the sum of the percentages of rentable area multiplied by the number of years in each remaining lease term.

"**Weighted Average number of Units**" refers to the mean of periodic values in the number of issued and outstanding Units over a specific reporting period.

FFO and AFFO Calculation

The reconciliation of FFO and AFFO for the three-month periods ended December 31 2023 and 2022, based on proportionate consolidation figures including REIT's interest in joint ventures (see section *Consolidated statement of earnings - Reconciliation to consolidated financial statements*), is as follows:

	Three months ended December 31,		Year ended December 31,	
(in thousands of CAD$)	**2023**	**2022**	**2023**	**2022**
Net (loss) income attributable to the Trust **(including share of net earnings from investments in joint ventures)**	(35,217)	(40,680)	(29,334)	(36,270)
Add/(Deduct):				
Acquisition, eviction and disposal costs	-	362	-	362
Loss on disposal on investment properties	-	934	-	946
Net change in fair value of investment properties	39,575	44,919	44,701	63,202
Net change in fair value of financial derivatives	1,172	2,537	3,613	(2,851)
Adjustment for property taxes accounted for under IFRIC 21	(917)	(865)	-	-
Distributions on Exchangeable securities	110	97	387	645
Net change in fair value of Exchangeable securities	(1,225)	(442)	(1,941)	(5,479)
Foreign exchange loss (gain) (1)	(21)	(1,145)	(22)	(252)
Loss on extinguishment of mortgage loans (2)	-	-	-	54
Deferred income tax recoveries	(2,720)	(2,140)	(2,552)	(3,222)
Non-controlling interest	(269)	(216)	(263)	(123)
FFO	**488**	**3,361**	**14,589**	**17,012**
Add/(Deduct):				
Non-cash effect of straight line rents	210	(65)	417	(43)
Cash effect of the rental guarantee	186	286	1,078	1,145
Amortization of transaction costs on mortgage loans	61	222	243	293
Capex	(533)	(195)	(1,680)	(821)
AFFO	**412**	**3,609**	**14,647**	**17,586**
FFO / Units (diluted) *(in CAD$)*	**0.01**	**0.10**	**0.43**	**0.51**
AFFO / Units (diluted) *(in CAD$)*	**0.01**	**0.11**	**0.44**	**0.52**

(1) REALPAC guidance suggest that the foreign exchange gain or loss be included in the FFO calculation. However, due to the volatility of the Canadian dollar against the Euro, the REIT has elected to exclude from the FFO calculation, the unrealized gain or loss on the REIT's cash Euros which are domiciled in Canadian financial institutions.

(2) Loss on the Bad Homburg mortgage loan extension.

Overview – GAAP and Non-GAAP

The REIT has identified specific key performance indicators to measure the progress of its long-term objectives. These are set out below:

	December 31, 2023		December 31, 2022	
Operating metrics	**IP Portfolio**	**Total Portfolio**	**IP Portfolio**	**Total Portfolio**
Number of properties	8	13	8	13
Gross leasable area (sq. ft.)	1,117,830	1,540,218	1,117,830	1,540,218
Occupancy rate - end of period	54.1%	64.2%	83.6%	86.6%
Weighted average lease term	3.3 years	3.5 years	2.8 years	3.0 years
Average initial yield (1)	5.1%	5.3%	6.0%	5.5%
Capital management metrics	**IP Portfolio**	**Total Portfolio**	**IP Portfolio**	**Total Portfolio**
Available cash (3)	$12,489	$15,290	$45,176	$49,913
Fair value of investment properties	$412,967	$541,001	$437,422	$579,623
Debt-to-gross book value (2)	45.6%	52.1%	43.6%	50.5%
Debt-to-gross book value, net of cash (2)	44.2%	50.8%	38.7%	46.4%
Weighted average loan term to maturity	3.2 years	2.9 years	3.7 years	3.4 years
Weighted average interest rate (2)	2.62%	2.75%	1.91%	1.93%
Interest coverage ratio (2)	2.3 x	2.4 x	3.4 x	3.5 x

(1) Calculated on annualized Net Rental Income (based on Net Rental Income for the year-to-date period).
(2) As defined in the section "Non-GAAP Financial Measures and Other Financial Measures".
(3) See the section "Capital Management" for further discussion on the composition and usefulness of this metric.

	Three months ended December 31,		Year ended Dec. 31,	
(thousands of CAD$ except per Unit and other data)	**2023**	**2022**	**2023**	**2022**
Financial performance metrics				
Rental revenue	4,788	6,796	24,656	25,377
Rental revenue - Total Portfolio (1)	6,827	8,869	32,704	33,470
Net rental income	4,084	6,705	23,216	21,633
Net rental income - Total Portfolio (1)	6,118	8,929	30,895	29,204
Net income, attributable to the Trust	(35,574)	(41,042)	(29,691)	(36,854)
Funds from Operations (FFO) (1) (2)	488	3,361	14,589	17,012
Adjusted Funds from Operations (AFFO) (1) (2)	412	3,609	14,647	17,586
FFO per Unit (diluted) (1) (2)	0.01	0.10	0.43	0.51
AFFO per Unit (diluted) (1) (2)	0.01	0.11	0.44	0.52
Distributions				
Declared distributions on Units and Exchangeable securities	2,349	3,466	12,750	23,097
Declared distribution per Unit	0.07	0.10	0.38	0.69
FFO payout ratio (1) (2)	481.4%	103.1%	87.4%	135.8%
AFFO payout ratio (1) (2)	570.3%	96.0%	87.0%	131.3%

(1) See the section "Non-GAAP Financial Measures" for more information on the REIT's non-GAAP financial measures and reconciliations thereof.
(2) The reconciliation of FFO and AFFO to Net Income can be found under the section Non-GAAP Reconciliation (FFO and AFFO).

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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