

# INOVALIS

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REAL ESTATE INVESTMENT TRUST

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## INOVALIS REAL ESTATE INVESTMENT TRUST ANNOUNCES SPECIAL MEETING OF UNITHOLDERS TO BE HELD ON JANUARY 20, 2016

**Toronto, Ontario, December 30, 2015** – Inovalis Real Estate Investment Trust (the “**REIT**”) (TSX:INO.UN) announced today that it has filed and mailed an information circular in connection with a Special Meeting of Unitholders to be held on January 20, 2016. Two items of business will be considered at the Special Meeting.

For the first item of business to be considered at the Special Meeting, Unitholders will be asked to approve an amendment to the REIT’s Declaration of Trust to increase the maximum allowable indebtedness of the REIT from 55% of the REIT’s gross book value (or 60% of gross book value including convertible debentures) to 60% of the REIT’s gross book value (without reference to convertible debentures).

For the second item of business to be considered at the Special Meeting, Unitholders will be asked to approve the potential acquisition of the property located at 35 rue Grenata, 75002 Paris, France (the “**Metropolitan Property**”). As previously disclosed in November 2014, the REIT extended a loan to Inovalis S.A. to purchase the Metropolitan Property (the “**Acquisition Loan**”), as at that time the Metropolitan Property did not meet the investment criteria of the REIT. Also as previously disclosed, the Acquisition Loan included a right of first opportunity in favour of the REIT to purchase the Metropolitan Property at a discount to the market price once the Metropolitan Property met the investment criteria of the REIT. The Metropolitan Property now meets the investment criteria of the REIT and the REIT now intends to exercise the right of first opportunity pursuant to the Acquisition Loan to purchase the Metropolitan Property at a price of €46,800,000 (CDN\$70,462,000) (calculated in accordance with the right of first refusal contained in the Acquisition Loan).

Given that Inovalis S.A. is the external manager of the REIT and the indirect owner of the Metropolitan Property, the acquisition of the Metropolitan Property constitutes a “related party transaction” pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), and accordingly such transaction was reviewed and considered by the Investment Committee of the REIT, which committee is made up of independent trustees of the REIT. To be effective, the resolution approving the acquisition of the Metropolitan Property must be approved by a majority of the votes cast by the Unitholders of the REIT other than Inovalis S.A. or any related parties, associates or affiliates of Inovalis voting together, in person or by proxy at the Special Meeting.

Details of the two items of business to be conducted at the meeting, including all information required by MI 61-101, are contained in the Management Information Circular and Proxy Material dated December 21, 2015 and mailed to Unitholders and filed on SEDAR.

### **Forward-Looking Information**

This press release contains forward-looking statements with respect to the REIT and the potential acquisition of the Metropolitan Property. The actual results and performance of the REIT (including the potential acquisition of the Metropolitan Property) could differ materially from those expressed or implied by such statements. See the risk factors in the public filings of the REIT. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. The cautionary statements qualify all forward-looking statements attributable to the REIT and persons acting on its behalf. The assumptions made in making forward-looking statements are referred to in the public filings of the REIT. The assumptions made in making forward-looking statements in this press release also include the assumption that the REIT will be in a position to satisfy the conditions in respect of the acquisition of the Metropolitan Property and complete that transaction. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release. Except as required by applicable law, the REIT specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise. Additional information about these assumptions and risks and uncertainties is contained in the REIT's filings and securities regulators, including its latest annual information form and MD&A. These filings are also available at the REIT's website at [www.inovalisreit.com](http://www.inovalisreit.com).

### **About Inovalis Real Estate Investment Trust**

Inovalis Real Estate Investment Trust is an unincorporated, open-ended real estate investment trust established pursuant to a declaration of trust under the laws of the Province of Ontario. The REIT has been created for the purpose of acquiring and owning office properties primarily located in France and Germany but also opportunistically in other European countries where assets meet the REIT's investment criteria. The REIT current owns an interest in ten office properties in France and Germany, comprising approximately 1,004,000 square feet of gross leasable area (taking into account the interests in the properties owned in joint-ventures).

For further information, please contact:

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