

# INOVALIS

---

REAL ESTATE INVESTMENT TRUST

---

## FOR IMMEDIATE RELEASE

*Not for dissemination to U.S. news wire services or dissemination in the United States*

### INOVALIS REAL ESTATE INVESTMENT TRUST ANNOUNCES CLOSING OF CDN\$13.7 MILLION PRIVATE PLACEMENT

**Toronto, Ontario, June 26, 2017** – Inovalis Real Estate Investment Trust (“**Inovalis REIT**” or “**REIT**”) (TSX:INO.UN) today announced the closing of a CDN\$13,717,407 private placement pursuant to the issuance of a Euro denominated promissory note by CanCorpEurope S.A. (a subsidiary of the REIT) to a single non-Canadian investor (the “**Investor**”) for €9,146,178 (the “**Note**”) paying interest at 8.18%, which amount represents the distribution yield paid on REIT units based on the five day weighted average closing price of the REIT units on June 9, 2017. The Note matures on June 22, 2020.

Concurrent with the issuance of the Note, the Investor and the REIT entered into a put/call agreement pursuant to which the REIT can satisfy its obligation to the Investor by delivering REIT units at \$10.08 per Unit (the “**Conversion Price**”). At any time after June 25, 2018 the Investor can transfer all or any portion of the Note to the REIT in consideration for REIT units based on the Conversion Price and the REIT can acquire the Note at any time by delivering REIT units to the Investor at the Conversion Price. The Conversion Price represents the market price of the REIT units based on the five day weighted average closing price on June 9, 2017.

Khalil Hankach, Chief Investment Officer of Inovalis REIT commented: *“This is a significant financing transaction for the REIT as it evidences the REIT’s ability to attract international capital on a less costly basis than a traditional private placement in Canada, which typically requires a 4%-6% discount to the market price. Pursuant to this transaction, the REIT will be paying an effective yield of 8.18% (based on the five day weighted average closing price of the REIT units on June 9, 2017) which is in contrast to the yield of approximately 8.65% paid at the time of the REITs’ most recent issuances of equity.”*

The REIT intends to use the net proceeds from the private placement to fund, in part, the previously announced acquisition of a class-A office property in Ingolstadt, Germany and the balance for future acquisitions and general trust purposes.

The REIT’s units are listed on the Toronto Stock Exchange under the symbol INO.UN and the issuance of REIT units subject to the put/call agreement is subject to approval of the Toronto Stock Exchange.

All amounts have been converted to Canadian dollars (\$) using an exchange rate of \$1.50 per Euro.

### **Forward-Looking Information**

This press release contains forward-looking statements with respect to the REIT and its operations, strategy, financial performance and financial condition, as well as with respect to the private placement and acquisitions. These statements generally can be identified by the use of forward-looking words such as “forecast”, “may”, “will”, “would”, “expect”, “estimate”, “anticipate”, “intend”, “believe” or “continue” or the negative thereof or similar variations. The actual results and performance of the REIT discussed herein 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. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, the failure to receive any required approvals or consents in connection with one or more of the acquisition or the private placement or the failure to satisfy or waive any other condition to the acquisition or the private placement or otherwise close the acquisition or the private placement, the failure of the REIT to realize expected benefits from the acquisition or the private placement, the performance of the properties generally, and changes in securities or other laws or regulations or the application thereof. The cautionary statements qualify all forward-looking statements attributable to the REIT and personas 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 this press release also include the assumption that the REIT will be in a position to satisfy the conditions in respect of the acquisition and the private placement and complete those transactions. 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 with 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 twelve office properties in France and Germany, comprising approximately 1,290,000 square feet of gross leasable area (taking into account the interests in the properties owned in joint ventures).

For further information, please contact:

**Anne Smolen, Chief Financial Officer**

Inovalis Real Estate Investment Trust

Tel: +33 1 56 43 33 14

[anne.smolen@inovalis.com](mailto:anne.smolen@inovalis.com)