INOVALIS

REAL ESTATE INVESTMENT TRUST

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INOVALIS REAL ESTATE INVESTMENT TRUST REPORTS FINANCIAL RESULTS FOR THE SECOND QUARTER OF 2015.

Toronto, Ontario, August 14, 2015 – **Inovalis Real Estate Investment Trust (the "REIT") (TSX: INO.UN)** today reported its financial results for the second quarter of 2015. Inovalis REIT's management team will be holding a conference call on August 18, 2015 at 10:00 am EST to discuss the results. The dial-in numbers for the conference call are: in Toronto 1-416-764-8688; outside Toronto (toll free, within North America) 1-888-390-0546.

HIGHLIGHTS

- Funds from operations ("FFO") for the quarter ended June 30, 2015 was $3.7 million, up 31.2% from $2.8 million for the same quarter in 2014. On a per unit basis, FFO for the quarter ended June 30, 2015 amounted to $0.21, compared to $0.22 for the same period in 2014. FFO payout ratio was 96.8% for the period from January 1, 2015 to June 30, 2015.

- Adjusted funds from operations ("AFFO") for the quarter ended June 30, 2015 was $4.7 million, up 58.3% from $3.0 million for the same quarter in 2014. On a per unit basis, AFFO for the quarter ended June 30, 2015 amounted to $0.27, compared to $0.23 for the same period in 2014. AFFO payout ratio was 85.6% for the period from January 1, 2015 to June 30, 2015.

- During and subsequent to the quarter ended June 30, 2015, the REIT successfully deployed its capital available for investments and completed the acquisition of two office properties, in Bad Homburg (Germany) and in Arcueil (Paris' first Southern periphery), each on a partnership basis. Both transactions are expected to be AFFO accretive to the REIT.

- Occupancy rate on the REIT's portfolio was 90.1% as at June 30, 2015. Further to the Arcueil acquisition that was completed subsequent to the quarter, occupancy rate increases up to 90.9%.

- Weighted average lease term was 6.1 years as at June 30, 2015. Further to the Arcueil acquisition, weighted average lease term increases to 6.3 years.

- Debt to book value of the REIT was 50.7% as at June 30, 2015. Net of the cash available, debt to book value was 48.2%. Further to the Arcueil acquisition, the REIT's debt-to-book value remains below 55%.

- During the quarter ended June 30, 2015, the REIT and the vendor of the original IPO portfolio properties agreed to share the remaining amount ($2.5 million) standing on an escrow account set aside (outside of the REIT) for potential capital expenditures as no further expenses were anticipated in the foreseeable future. As a result, the REIT cashed in $1.24 million.

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 currently owns an interest in nine office properties in France and Germany, comprising approximately 971,000 square feet of gross leasable area (taking into account the interests in the properties owned in joint-ventures).

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Management's discussion and analysis

(Dollar amounts in the MD&A are presented in thousands of Canadian dollars, except rental rates, Unit or as otherwise stated)

OVERVIEW

	June 30, 2015	December 31, 2014
Operational information (1)		
Number of properties	8	7
Gross leasable area (sq.ft)	889,079	834,529
Occupancy rate (end of period) (2)	90.1%	88.4%
Weighted average lease term	6.1 years	6.6 years
Average capitalization rate (3)	6.5%	7.6%
Financing information (1)		
Level of debt (debt-to-book value) (4)	50.7%	52.2%
Level of debt (debt-to-book value, net of cash) (4)	48.2%	49.0%
Weighted average term of principal repayments of debt	6.6 years	7.2 years
Weighted average interest rate (5)	1.93%	1.98%
Interest coverage ratio (6)	4.8 x	4.7 x

	3-month period ended		6-month period ended	
(thousands of CAD$ except per Unit and other data)	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Operating results				
Rental income	5,306	4,658	10,589	9,545
Net rental earnings	7,116	5,039	10,297	8,151
Earnings for the period	16,615	(6,897)	19,680	(6,987)
Funds from Operations (FFO) (7) (8)	3,684	2,806	7,414	5,677
Adjusted Funds from Operations (AFFO) (7) (8)	4,678	2,955	8,387	5,997
FFO per Unit (diluted) (7) (8)	0.21	0.22	0.43	0.45
AFFO per Unit (diluted) (7) (8)	0.27	0.23	0.48	0.47
Distributions				
Declared distributions on Units and Exchangeable sec.	3,596	2,626	7,178	5,241
Declared distribution per Unit (diluted) (8)	0.21	0.21	0.41	0.41
FFO payout ratio (7)	97.6%	93.6%	96.8%	92.3%
AFFO payout ratio (7)	76.9%	88.9%	85.6%	87.4%

(1) Taking into account the interest the REIT has in the properties held in partnerships
(2) Occupancy rate reaches 92.7% as of June 30, 2015 taking into account the Vendor Leases
(3) Calculated on annualized net rental earnings (based on net rental earnings for the quarter)
(4) Defined as total debt divided by total assets. The debt-to-book value ratio, net of cash, takes in consideration the cash held and available that could be used to reimburse the debt. Both ratios consider the percentage of the debt and assets held in partnerships.
(5) Calculated as the weighted average interest rate paid on the finance leases and the mortgage loans
(6) Calculated as net rental earnings adjusted for IFRIC 21 plus interest, less general and administrative expenses, divided by interest expense on the financial leases and mortgage loans
(7) The reconciliation of FFO and AFFO to earnings for the period can be found under the section *Non-IFRS Financial Measures*
(8) Based on the weighted average number of Units during the period

BASIS OF PRESENTATION

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations of Inovalis REIT should be read in conjunction with the REIT's condensed interim consolidated financial statements for the three-month and six-month periods ended June 30, 2015, and the notes thereto. This MD&A has been prepared taking into account material transactions and events up to and including August 13, 2015. Financial data provided in the condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards. All amounts in this MD&A are in thousands of Canadian dollars, except per unit amounts and where otherwise stated. Historical results, including trends which might appear, should not be taken as indicative of future operations or results. Additional information about Inovalis REIT has been filed with applicable Canadian securities regulatory authorities and is available at www.sedar.com. The exchange rate used throughout this MD&A for statement of earnings items is the average rate during the said period, i.e. 1.3602 Canadian dollars per Euro for the three-month period ended June 30, 2015 and 1.3777 Canadian dollars per Euro for the period from January 1, 2015 to June 30, 2015. For balance sheet items, projections or market data, the exchange rate used is 1.3911 (exchange rate as at June 30, 2015).

FORWARD-LOOKING INFORMATION

Although we believe that the expectations reflected in the forward-looking information are reasonable, we can give no assurance that these expectations will prove to have been 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 document as well as the following: (i) we will continue to receive financing on acceptable terms; (ii) our future level of indebtedness and our future growth potential will remain consistent with our current expectations; (iii) there will be no changes to tax laws adversely affecting our financing capability, operations, activities, structure or distributions; (iv) we will retain and continue to attract qualified and knowledgeable personnel as we expand our portfolio and business; (v) the impact of the current economic climate and the current global financial conditions on our operations, including our financing capability and asset value, will remain consistent with our current expectations; (vi) there will be no material changes to government and environmental regulations adversely affecting our operations; (vii) conditions in the international and, in particular, the French and German real estate markets, including competition for acquisitions, will be consistent with the current climate; and (viii) capital markets will provide us with readily available access to equity and/or debt financing.

The forward-looking statements are subject to inherent uncertainties and risks, including, but not limited to, the factors listed under the *Risk and Uncertainties* section of this MD&A, and are described in greater detail in our IPO prospectus dated March 28, 2013 and in our short-form equity offering prospectus dated October 30, 2014, which are available at www.sedar.com. Consequently, actual results and events may vary significantly from those included in, contemplated or implied by such statements.

MARKET AND INDUSTRY DATA

This MD&A includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information as well as industry data prepared by Inovalis SA on the basis of its knowledge of the commercial real estate industry in which we operate (including Inovalis SA estimates and assumptions relating to the industry based on that knowledge). Inovalis SA's knowledge of the real estate industry has been developed through its 18 years of experience and participation in the industry. Inovalis SA believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. Although Inovalis SA believes it to be reliable, Inovalis SA has not verified any of the data from third-party sources referred to in this MD&A, or analysed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying assumptions relied upon by such sources.

NON-IFRS MEASURES

Funds from operations ("**FFO**") and adjusted funds from operations ("**AFFO**") are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. FFO and AFFO are supplemental measures of performance for real estate businesses. We believe that AFFO is an important measure of economic performance and is indicative of our ability to pay distributions, while FFO is an important measure of operating performance and the performance of real estate properties. The IFRS measurement most directly comparable to FFO and AFFO is net earnings. See the *Non-IFRS Reconciliation (FFO and AFFO)* section for reconciliation of FFO and AFFO to net earnings.

FFO is defined as net earnings in accordance with IFRS, excluding: (i) acquisition costs incurred in connection with the purchase of properties being accounted for as a business combination, (ii) gain on bargain purchase, (iii) net change in fair value of investment properties, (iv) net change in fair value of financial instruments at fair value through profit and loss, (v) changes in fair value of Exchangeable securities, (vi) adjustment for property taxes accounted for under IFRIC 21, (vii) loss on exercise of lease option, (viii) adjustment for foreign exchange gains or losses on monetary items not forming part of an investment in a foreign operation, (ix) gain on disposal of an interest in a subsidiary and the non-cash portion of earnings from an investment accounted for using the equity method, (x) non-recurring finance costs and (xi) recovery of non-recurring items. It has also been adjusted to exclude the distributions declared on Exchangeable securities. These distributions are recognized in profit and loss consistent with the classification of the Exchangeable securities as a liability. However, they are not to be considered when determining distributions for the Unitholders as indeed they are subordinated to the distributions to the Unitholders.

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 lease equalization loans (equalizing the rent payments, providing the REIT with stable and predictable monthly cash flows over the term of the France Telecom leases in the Vanves property, the Smart & Co. lease in the Courbevoie property and the Rue du Commerce leases in the Baldi property), (iii) amortization of fair value adjustment on assumed debt, (iv) the non-cash portion of the asset management fees paid in Exchangeable securities, (v) capital expenditures, (vi) capital expenditures paid by the vendors of the leasehold interest in the properties and/or tenants and (vii) amortization of transaction costs on mortgage loans.

FFO and AFFO should not be construed as alternatives to net earnings or cash flow from operating activities, determined in accordance with IFRS, as indicators of our performance. Our method of calculating FFO and AFFO may differ from other issuers' methods and accordingly may not be comparable to measures used by them.

BUSINESS OVERVIEW AND STRATEGY

Inovalis REIT is an unincorporated open-ended real estate investment trust governed by the laws of the Province of Ontario. Inovalis REIT was founded and sponsored by Inovalis SA, who is our asset manager. Our Units have been listed on the Toronto Stock Exchange under the trading symbol INO.UN since April 10, 2013. Our head and registered office is located at 151 Yonge Street, 11th floor, Toronto, Ontario, M5C 2W7.

Our long-term objectives are to:

- generate predictable and growing cash distributions on a tax-efficient basis from investments in income-producing office properties
- maximize the long-term value of both our properties and Units through active and efficient management
- grow our asset base, primarily in France and Germany, but also opportunistically in other European countries where assets meet our investment criteria
- increase the cash available for distribution to holders of Units ("Unitholders"), through an accretive acquisition program that successfully leverages Inovalis SA's extensive relationships and depth of commercial property and financing.

The REIT’s Investment Criteria encompasses office properties outside of Canada with an occupancy level above 80% (unless AFFO accretive), secured rental cash flows, a property value between €20 million ($28 million) to €60 million ($83 million) (unless AFFO accretive) and a potential future upside with respect to matters including rent and area development. According to management, this target investment size falls within a very liquid segment of the real estate market in Europe, and debt financing for such acquisitions is readily available from local lenders.

BUSINESS ENVIRONMENT

French commercial real estate investment market

Investment in commercial real estate in France reached €7.9 BN ($11.0 BN) in the first half of 2015, in line with the last ten year average of €8.4 BN ($11.7 BN). Despite its slow economic growth, France is still much sought after, enjoying its second best year ever for investment after 2007. The Greater Paris region accounted for the largest share of acquisitions (79%). Offices are still investors’ favorite, attracting 63% of investment.

According to BNP Paribas Real Estate, the prime yield in the Central Business District stabilized 4.0% and the prime yield in the Inner Rim further compressed down to 5.2%. Investors have increasingly bought properties beyond Paris business districts, which are structurally incapable of supplying demand and which offer low yields. Non-prime office yields have slightly declined in the majority of markets in the Greater Paris Region, where the appetite for prime products is still high.

As at June 30, 2015, the vacancy rate in the Greater Paris Region was 7.6% and inside Paris was 5.1%. This figure is mainly comprised of lower quality properties as, according to CBRE, new and redeveloped properties only accounted for 20% of the immediate supply.

German commercial real estate investment market

In the first half of 2015, investment in office properties totaled €9.3 BN ($12.9 BN), which was over 51 % more than in the prior-year period. It was also the second-best result of all time and exceeded the ten-year average by around two-thirds.

Office properties stood as the second-dominant asset class in the German commercial property market for the first half of 2015 behind retail properties with a share of 38%. For investors, Germany continues to offer an extremely attractive and stable environment with interest rates still low, active consumers, upward-trending early indicators and a labour market that remains robust.

Office yields have declined throughout Germany over the last few years and, according to BNP Paribas Real Estate, prime office properties in the largest cities (Berlin, Dusseldorf, Frankfurt, Hamburg, Munich) trade at a cap rate ranging between 4.00% and 4.60%.

Banks are competing for the financing of first class office properties with long-term leases in good locations. As competition increases, banks are increasingly financing slightly risker properties.

REAL ESTATE MANAGEMENT AND ADVISORY SERVICES

Pursuant to the Management Agreement, Inovalis SA is the manager of the REIT and provides the strategic, advisory, asset management, project management, construction management, property management and administrative services necessary to manage the operations of the REIT.

Upon the earlier of (i) the REIT achieving a market capitalization of $750 million (including any Exchangeable securities held by Inovalis SA) based on the volume weighted average price (VWAP) over a 20-day trading period and (ii) April 10, 2018, the Management Agreement will terminate and the management of the REIT will be internalized at no additional cost.

OUR OPERATIONS

Performance indicators[1]

As at	June 30, 2015	June 30, 2014
Gross leasable area (sq.ft)	889,079	529,267
Number of properties	8	4
Number of tenants	32	12
Occupancy rate (excluding Vendor Leases)	90.1%	96.0%
Occupancy rate (including Vendor Leases)	92.7%	100.0%
Weighted average lease term [2]	6.1 years	7.3 years

(1) Taking into account the interest the REIT has in the properties held in partnerships
(2) Excluding early termination rights. Taking into account early termination rights, the weighted average lease term is 4.2 years

Occupancy

The overall weighted average occupancy rate across our portfolio was 90.1% at June 30, 2015. Taking into account the vendor leases on the Vanves, Baldi and Sablière properties (on 23,336 sq.ft in total, or 2.6% of our portfolio's total GLA), occupancy rate across the portfolio reaches 92.7%.

Inovalis SA is consistently putting a strong effort in the reletting of the vacant premises as evidenced by the increase of the occupancy rate from 88.4% as at December 31, 2014 up to 90.1% as at June 30, 2015.

Subsequent to the end of the quarter, the addition of the Arcueil property that is fully let will further increase the vacancy rate up to 90.9% (taking into account the 25% interest the REIT has in the property).

The Baldi property, which is an office mainly property, also comprises 31,603 square feet of mixed-used and storage areas, on which we did not put any value when the REIT bought the property in November 2014. Excluding these areas in our square footage calculation, occupancy rate throughout the portfolio would reach 93.4% (94.0% after the Arcueil acquisition).

External brokers are working with the Inovalis SA team to lease remaining vacant premises on the REIT's portfolio.

Tenants

The tenant base in the portfolio is well diversified from an industry segment standpoint, with many tenants having large national or multinational footprints. 77% of 2015 estimated gross rental income come from French public agencies, are guaranteed by large German or international banks, or are signed with investment grade corporates or are affiliates of investment grade corporates.

The following table shows our five largest tenants, sorted out by contribution to gross leasable area (GLA). Tenant marked with (*) is a tenant from property owned on a partnership basis and is taken into account applying the percentage of ownership the REIT has in the underlying property.

Tenant	Tenant Sector	Tenant Since	GLA (sq.ft.)	% of Total GLA
Orange (France Telecom)	Telecommunications	1999	186,070	20.9%
Facility Services Hannover GmbH	Banking / Real estate	2003	124,076	14.0%
Mitsubishi Hitachi Power Systems Europe GmbH (*)	Manufacturer	2007	108,959	12.3%
National Conservatory of Arts and Crafts	Education and training	2003	50,407	5.7%
French Environment and Energy Agency	Public sector / Government	1982	49,460	5.6%
Top 5 tenants			**518,971**	**58.5%**
Other tenants	Diversified		282,137	31.6%
Vendor Lease	-		23,336	2.6%
Vacant			64,635	7.3%
Total			**889,079**	**100.0%**

Subsequent to the acquisition of the Arcueil property, largest tenant Orange (France Telecom) accounts for 27.7% of total GLA.

Leasing profile

Rental indexation

All leases have rental indexation based on either the French ICC (construction cost index) or ILAT (index averaging construction costs and CPI indexes) or the German Consumer Price Index, as applicable.

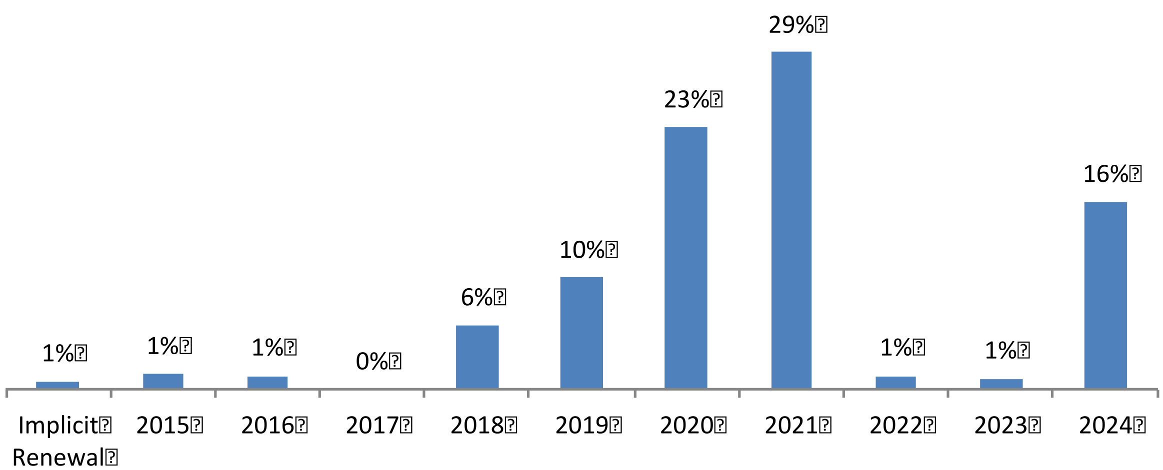
Lease rollover profile

The REIT has an average remaining lease term of 6.1 years (not including tenant early termination rights). Assuming all tenants leave at next possible early termination rights, which is a highly improbable scenario, average remaining lease term on our portfolio is 4.2 years.

The following graph sets out the amount of GLA and percentage of total GLA of the properties subject to leases expiring during the periods shown (excluding early lease terminations).

Lease Maturity Profile as at June 30, 2015

(% of total GLA)



Subsequent to the acquisition of the Arcueil property, the weighted average lease term is increased to 6.3 years (not including early termination rights). Assuming all tenants leave at next possible early termination rights, average remaining lease term on our portfolio is increased to 4.4 years.

CONSOLIDATED FINANCIAL INFORMATION

(in thousands of CAD$)	3-month period ended		6-month period ended	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Rental income	5,306	4,658	10,589	9,545
Service charge income	1,930	1,115	3,659	2,222
Service charge expense	(1,334)	(786)	(5,144)	(3,645)
Other revenues	1,240	-	1,240	-
Other property operating (expense) revenues	(26)	52	(47)	29
Net rental earnings	**7,116**	**5,039**	**10,297**	**8,151**
Administration expenses	(1,125)	(837)	(2,117)	(1,866)
Foreign exchange (loss) gain	(56)	(19)	84	19
Net change in fair value of investment properties	11,416	(1,693)	13,166	(556)
Business acquisition costs	(54)	(361)	(54)	(413)
Operating earnings	**17,297**	**2,129**	**21,376**	**5,335**
Gain (loss) on financial instruments at fair value through P&L	(123)	30	379	(710)
Share of the profit of an investment (equity method)	131	-	121	-
Loss on exercise of early payment option on finance leases	-	(7,972)	-	(7,972)
Finance income	824	8	1,564	15
Finance costs	(1,214)	(855)	(2,443)	(1,719)
Distributions on Exchangeable securities	(438)	(297)	(867)	(584)
Net change in fair value of Exchangeable securities	217	73	(335)	(1,325)
Earnings before income taxes	**16,694**	**(6,884)**	**19,795**	**(6,960)**
Current income tax expense	(5)	(3)	(8)	(7)
Deferred income tax expense	(74)	(10)	(107)	(20)
Earnings for the period	**16,615**	**(6,897)**	**19,680**	**(6,987)**

Net rental earnings

Net rental earnings for the three-month period ended June 30, 2015 reached $7,116, an increase of 41.2% compared to the same period in 2014. The REIT realized a gain of $1,240 during the period on the recovery of an indemnity paid at the time of the purchase of the Vanves property for possible repairs that are no longer required. The period-to-period increase is also the result of the additional net rental earnings from the Sablière and Baldi properties that were acquired in November 2014.

For the six-month period ended June 30, 2015, net rental earnings increased by 26.3% over the same period in 2014 and reached $10,297. As was the case for the quarter, this increase is the result of the non-recurrent gain of $1,240 and the additional net rental earnings from the Sablière and Baldi properties.

As mentioned in prior reports, net rental earnings does not include the revenues generated from the properties held through joint-venture arrangements. The contribution of these properties stands in the Finance income and in the Share of the profit of an investment accounted for using the equity method sections as detailed below.

Administration expenses

Administration expenses are primarily comprised of asset management fees paid to Inovalis SA and of other general administrative expenses such as trustee fees, directors' and officers' liability insurance, professional fees (including accounting fees), legal fees, filing fees, shareholders related expenses and other expenses. Administration expenses for the quarter ended June 30, 2015 amounted to $1,125 vs. $837 for the quarter ended June 30, 2014. $525 is related to the asset management fees paid to Inovalis SA (vs. $437 for the quarter ended June 30, 2014) and $600 to other expenses (vs. $400 for the quarter ended June 30, 2014). The increase year on year is accounted for by the addition of new properties since last year.

Administration expenses for the six-month period ended June 30, 2015 amounted to $2,117 vs. $1,866 for the six-month period ended June 30, 2014. $1,038 is related to the asset management fees paid to Inovalis SA (vs. $892 for the six month period ended June 30, 2014) and $1,079 to other expenses (vs. $974 for the quarter ended June 30, 2014).

Net change in fair value of investment properties

During the quarter ended June 30, 2015, the net change in fair value of investment properties recognized in earnings was $11,416. The Company had recognized a net reduction in fair value of $1,693 during the quarter ended June 30, 2014. Similarly, for the six month period ended June 30, 2015, the net change in fair value of investment properties recognized in earnings was $13,166 while it had recorded a loss of $556 for the same period in 2014. The net change in fair value in 2015 was all related to the French properties.

Gain (loss) on financial instruments at fair value through profit and loss

The REIT recognized a loss on financial instruments at fair value through profit and loss for the quarter ended June 30, 2015 of $123. For the six-month period ended June 30, 2015, the REIT recognized a gain of $379. These gains and losses are mostly the result of the variation in value realized on the foreign exchange (“FX”) contracts purchased earlier in 2015. These 2015 contracts have a strike price of 1.4956 Canadian dollar per Euro, which explains the gain for the six-month period since the average FX rate for the Euro for the six month period ended June 30, 2015 was 1.3777. During the second quarter ended June 30, 2015, the average FX rate was 1.3602 while it had closed at 1.3623 on March 31, 2015. During the quarter, there was also a fluctuation in the value of the interest swap and interest cap which combined with the exchange fluctuation, resulted in a loss of $123.

During the quarter ended June 30, 2014, the REIT recorded a gain of $30 as the FX contracts held at the time had a strike price for the Euro of 1.3211 when the average rate was 1.5117. For the six-month period ended June 30, 2014, the Company had recorded a loss of $710. These unfavorable contracts were liquidated during the second quarter of 2014.

Share of the profit of an investment accounted for using the equity method

As mentioned above, during the quarter ended June 30, 2015, the REIT completed its acquisition of a 50% interest, on a joint venture basis, of the Walpur office property located in Bad Homburg (Germany). The share of earnings from the joint venture investment in Duisburg and Walpur was $131 for the quarter ended June 30, 2015 and $121 for the six-month period ended June 30, 2015. As the Duisburg acquisition was realized in July of 2014, no such items were recognized in the comparable periods ended June 30, 2014.

Finance income

During the quarter ended June 30, 2015, the REIT recorded total finance income of $824, which is composed of interest revenue of $370 from the Acquisition loan to Inovalis SA, $453 from its loans to the Duisburg and Walpur joint ventures and $1 of other finance income. During the six-month period ended June 30, 2015, the REIT recorded total finance income of $1,564, which is composed of interest revenue of $747 from the Acquisition loan to Inovalis SA, $813 from its loans to the Duisburg and Walpur joint ventures and $4 of other finance income.

During the same quarter and six month period ended June 30, 2014, the REIT recorded $8 and $15 respectively in interest revenues on its outstanding cash balance at the time.

Finance costs

For the three-month period ended June 30, 2015, finance costs amounted to $1,214 including notably $835 for interest costs related to finance leases, mortgage loans and the lease equalization loans. For the same period in 2014, total finance costs amounted to $855, of which $596 related to finance leases, mortgage loans and the lease equalization loans.

For the six-month period ended June 30, 2015, finance costs amounted to $2,443 including notably $1,708 for interest costs related to finance leases, mortgage loans and the lease equalization loans. For the same period in 2014, total finance costs amounted to $1,719, of which $1,066 related to finance leases, mortgage loans and the lease equalization loans.

Please refer to note 8 of the condensed interim consolidated financial statements for the period ended June 30, 2015 for a more detailed description of the main components of finance costs for both the three-month and six-month periods of 2015 and 2014. The variation between the periods is the result of the addition of two properties in the fall of 2014 and the impact of the renegotiation of the long-term debt that was done in the second quarter of 2014.

Distributions on Exchangeable securities

Distributions to the holders of Exchangeable securities are calculated in a manner to provide a return that is economically equivalent to the distributions received by the Unitholders. They are, however, subordinated to the distributions to the other Unitholders until April 10, 2016. The increase for both the three-month and six-month periods is the result of the additional Exchangeable securities purchased by Inovalis SA at the time of the Unit offering in November 2014 and from the additional Exchangeable securities received by Inovalis SA in lieu of asset management fees.

Net change in fair value of Exchangeable securities

The net change in value of the Exchangeable securities, as well as the cost of distributions recognized on Exchangeable securities, are recognized in profit and loss because, for financial reporting purposes, the Exchangeable securities have been classified as a liability at fair value through profit or loss.

The actual results reflect a gain for the three-month period ended June 30, 2015 because the quoted value of the REIT's Units, which is used as the basis for the measurement of the Exchangeable securities, increased since March 31, 2015. For the six-month period ended June 30, 2015, the actual result reflected a loss. The closing price on the TSX was $9.05 on June 30, 2015, $9.15 on March 31, 2015 and $8.88 on December 31, 2014.

For the three-month period ended June 30, 2014, the resulting gain was $217 while the net change in fair value was a loss of $1,325 for the six-month period ended June 30, 2014. The closing price on the TSX was $9.76 on June 30, 2014, $9.81 on March 31, 2014 and $8.81 on December 31, 2014.

Last 24 Months Key Financial Information

	3-month period ended							
(in thousands of CAD$)	June 30, 2015	March 31, 2015	Dec 31, 2014	Sept. 30, 2014	June 30, 2014	March 31, 2014	Dec 31, 2013	Sept. 30, 2013
Rental income	5,306	5,283	4,846	4,291	4,658	4,887	4,630	4,409
Net rental earnings	7,116	3,189	5,167	4,608	5,039	3,112	4,394	4,825
Earnings for the period	16,615	3,065	21,374	2,158	(6,897)	(95)	3,955	5,699
Earnings per Unit (CAD$)	1.08	0.20	1.56	0.19	(0.61)	(0.01)	0.35	0.50

NON-IFRS RECONCILIATION (FFO AND AFFO)

(in thousands of CAD$)	3-month period ended June 30, 2015	3-month period ended June 30, 2014	6-month period ended June 30, 2015	6-month period ended June 30, 2014
Earnings for the period	16,615	(6,897)	19,680	(6,987)
Add/(Deduct):				
Adjustment to related acquisition costs	(162)	361	(162)	413
Less other revenues (recovery of indemnity)	(1,240)	-	(1,240)	-
Loss on exercise of lease option	-	7,972	-	7,972
Net change in fair value of investment properties	(11,416)	1,693	(13,166)	556
(Gain) loss on financial instruments at fair value through profit and loss	123	(30)	(379)	710
Adjustment for property taxes accounted for under IFRIC 21	(697)	(536)	1,333	1,123
Share of the profit of an investment (equity method)	(131)	-	(121)	-
Distributions on Exchangeable securities	438	297	867	584
Change in fair value of Exchangeable securities	(217)	(73)	335	1,325
Foreign exchange gains or losses on monetary items not forming part of a net investment in a foreign operation	56	19	(84)	(19)
Non-recurring other finance costs	51	-	73	-
Finance income from joint venture investments	(453)	-	(813)	-
Deferred income tax expense	74	-	107	-
FFO from investment	643	-	984	-
FFO	**3,684**	**2,806**	**7,414**	**5,677**
Add/(Deduct):				
Non-cash effect of straight line rents	(750)	(483)	(1,413)	(967)
Cash effect of the lease equalization loans	1,361	483	1,601	967
Amortization of fair value adjustment on assumed debt	105	30	214	424
Amortization of transaction costs on mortgage loans	96	-	201	-
Non-cash part of asset management fees paid in Exchangeable securities (1)	263	219	519	446
Capex net of cash subsidy	(100)	(100)	(200)	(550)
Adjustement from investment (2)	19		51	
AFFO	**4,678**	**2,955**	**8,387**	**5,997**
FFO / Units (diluted) (3) *(in CAD$)*	**0.21**	**0.22**	**0.43**	**0.45**
AFFO / Units (diluted) (3) *(in CAD$)*	**0.27**	**0.23**	**0.48**	**0.47**

(1) For purposes of this presentation, 50% of non-cash part of the asset management fee is included in the AFFO reconciliation. Notwithstanding, 100% of the asset management fee is paid in Exchangeable securities
(2) Adjustment for the non-cash part of asset management fees pertaining to the investment
(3) Based on the weighted average number of Units, i.e. 17,424,381 and 12,726,896 for the 3-month periods ended June 30, 2015 and June 30, 2014 and 17,378,796 and 12,701,443 for the 6-month periods ended June 30, 2015 and June 30, 2014

Management believes FFO is an important measure of our operating performance. This non-IFRS measurement is a commonly used measure of performance of real estate operations. However, it does not represent cash flow from operating activities as defined by IFRS and is not necessarily indicative of cash available to fund Inovalis REIT's needs.

AFFO is an important measure of our economic performance and is indicative of our ability to pay distributions. This non-IFRS measurement is commonly used for assessing real estate performance. However, it does not represent cash flow from operating activities as defined by IFRS and is not necessarily indicative of cash available to fund Inovalis REIT's needs.

Our AFFO calculation for the quarter ended June 30, 2015 takes into account an amount of $423 that was payable as of March 31, 2015 by Inovalis SA and that was not taken into account in the previous quarter. AFFO payout ratio is

76.8% for the 3-month period ended June 30, 2015. For the 6-month period ending June 30, 2015, the above-mentioned item has no impact as it was settled during this 6-month period and the AFFO payout ratio for the period reaches 85.5%.

Our AFFO calculation is based on the average foreign exchange rate for the period (1.3777 Canadian dollars per Euro for the 6-month period ended June 30, 2015) and does not take into account our foreign currency hedging arrangements (100% of our monthly cash distributions are covered until June 2018 at an average rate of 1.5090).

PROPERTY CAPITAL INVESTMENTS

Fair value

The fair value of our investment property portfolio as at June 30, 2015, including the REIT's interests in the properties held in partnerships, was $368.0 million (vs. $344.0 million as at December 31, 2014). The fair value of the French properties was $287.9 million (78.2% of total value) and the fair value of the German properties was $80.1 million (21.8% of total value).

Management principally uses discounted cash flows to determine the fair value of the investment properties. These values are supported by third party appraisals. Our assessment of the fair values of the French properties was in line with the values determined by Jones Lang LaSalle France in conformity with the requirements of the *Royal Institution of Chartered Surveyors Standards*, the *Charte de l'expertise immobilière* and the *European Valuation Standards of TEGoVA* (the European Group of Valuers' Association) and IFRS 13. Our assessment of the fair value of the German properties was in line with the values determined by Jones Lang LaSalle Germany in conformity with the requirements of the *Royal Institution of Chartered Surveyors Standards*.

Building improvements

The REIT is committed to improving its operating performance by incurring appropriate capital expenditures in order to replace and maintain the productive capacity of its property portfolio so as to sustain its rental income generating potential over the portfolio's useful life. In accordance with IFRS, the REIT will capitalize all capital improvement expenditures on its properties that enhance the service potential of a property and extend the useful life of an asset with the term of the capital lease.

An escrow account totaling $4.2 million of cash was initially set aside by the vendors of the four initial properties for payment of capital expenditures to be invested before April 2016 in the event a need for capex arises. A total of $1.7 million has been spent to date. During the quarter, both parties have agreed to share the remaining amount of $2.5 million. This escrow account has therefore been extinguished and the REIT received a cash amount of $1.24 million.

Guarantees, commitments and contingencies

The REIT and its subsidiaries have provided guarantees in connection with the finance lease liabilities and the mortgage loans, including pledge of affiliates of the REIT, first mortgages and assignment of receivables and future receivables.

OTHER SIGNIFICANT ASSETS

Restricted cash and other financial assets

Restricted cash and other financial assets amounted to $700 as at June 30, 2015. It is comprised of a collateral of $700 for the foreign exchange currency contracts.

Investment accounted for using the equity method

This section encompasses the 50% interest the REIT has in the Duisburg property, the 50% interest in the Walpur property and the 25% interest in the joint-venture that will be used subsequently to the quarter for the purchase of the Arcueil property. Simplified balance sheet and statement of earnings of all three investments can be found in the note 5 of the condensed interim consolidated financial statements attached to this report. The fair value of the investment accounted for using the equity method was $36,756 as at June 30, 2015 compared to $18,307 on December 31, 2014.

The table below outlines the share of the REIT's FFO coming from these investments.

(in thousands of CAD$)	3-month period ended June 30, 2015 Total	Share of the REIT (50%)	6-month period ended June 30, 2015 Total	Share of the REIT (50%)
Profit (loss) for the period	261	131	242	121
Adjustment for	-	-	-	-
Acquisition costs (reversal of accrual)	37	19	(18)	(9)
Net change in fair value of investment properties	272	136	274	137
Finance costs to Partners	700	350	1,420	710
Interests on mortgage loans - amortization of transaction costs	(90)	(45)	(74)	(37)
Deferred income tax	105	53	123	62
FFO from investment	**1,285**	**643**	**1,967**	**984**

Acquisition loan

On November 6, 2014, Metropolitan LLC, a 100% subsidiary of the REIT, made a loan to Inovalis in the amount of 12,500 Euros so that Inovalis SA could acquire a property in the greater metropolitan area of Paris, France. As of June 30, 2015, the book value of this loan was $17,389. The loan is secured by a share pledge from a holding company owned by Inovalis SA (which also owns another property in the Greater Paris Region), bears interest at a rate of 8.75% for three years (with an option to extend for one year) and includes a right of first opportunity in favor of the REIT to purchase the property at a discount to the then market price. Whether the REIT exercises its option to buy the property or the property is sold to a third party, the REIT will receive 50% of the profit generated by the sale of the property less all interests received on the Acquisition Loan, in the first case in the form of a discount to the price and in the second case in the form of a cash gain. The minimum income for the REIT on this transaction is 8.75% per annum. Since November 2014, the letting situation on the property has significantly improved and occupancy rate is now greater than 80%.

Trade and other receivables

Trade and other receivables as at June 30, 2015 amounted to $4,354 compared to $2,852 as at December 31, 2014. The increase is principally the result of an increase in rent and service charges receivable from tenants as well as interest receivable for the Acquisition loan from Inovalis SA.

Other current Assets

Other current assets as at June 30, 2015 amounted to $1,296 compared to $731 as at December 31, 2014. This amount is composed of sales tax receivable of $1,043 and prepaid expenses of $253.

PRESENTATION OF OUR CAPITAL

Liquidity and capital resources

Inovalis REIT's primary sources of capital are cash generated from operating activities, credit facilities, sharing the ownership of actual assets owned entirely and equity issues. Our primary uses of capital include property acquisitions, payment of distributions, costs of attracting and retaining tenants, recurring property maintenance, major property improvements and debt interest payments. We expect to meet all of our ongoing obligations through current cash, cash flows from operations, debt refinancing and, as growth requires and when appropriate, new equity or debt issues. We can also sell some portion of assets owned in order to get access to capital but also in the perspective of diversification of our portfolio.

The REIT's cash available decreased from $19.5 million as at March 31, 2015 to $4.5 million as at June 30, 2015 because of the investment in the Arcueil property completed on July 7, 2015.

Financing activities

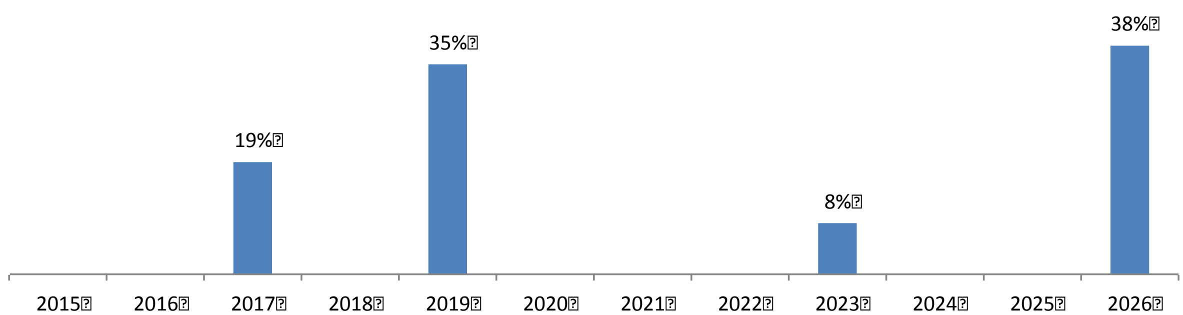
Our debt strategy is to have secured mortgage financing with a term to maturity that is appropriate in relation to the lease maturity profile of our portfolio and then to put in place, when appropriate, interest-only financings. We intend to search for fixed rate financings or floating rate financings with a cap. Our preference is to have staggered debt maturities to mitigate interest rate risk and limit refinancing exposure in any particular period. Our debt to book value stands at 50.7%, in line with our long-term targeted range of 50 to 55% and net of the $4.5 million of cash available as at June 30, 2015, this debt to book value stands at 48.2%.

Key performance indicators in the management of our debt are summarized in the following table.

	As at June 30, 2015	As at December 31, 2014
Weighted average interest rate (1)	1.93%	1.98%
Debt-to-book value (2)	50.7%	52.2%
Debt-to-book value, net of cash (3)	48.2%	49.0%
Interest coverage ratio (4)	4.8 x	4.7 x
Debt due in next 12 months in thousand of CAD$ (including interests)	7,315	6,991
Weighted average term to maturity of debt (5)	6.6 years	7.2 years

(1) Calculated as the weighted average interest rate paid on the finance leases and the mortgage financing
(2) Defined as total debt divided by total assets. Takes into account the interest the REIT has in all assets held in partnerships
(3) Defined as total debt divided by total assets. The debt-to-book value ratio, net of cash, takes in consideration the cash held and available that could be used to reimburse the debt. Both ratios consider the percentage of the debt and assets held in partnerships.
(4) Calculated as net rental earnings plus interest, less general and administrative expenses, divided by interest expense on the financial leases and mortgage financings
(5) Calculated as the weighted average term on all the financial leases and mortgage financings

Leasehold and Mortgage Financing Maturity Profile
(% of amount outstanding as at June 30, 2015)



Equity

Our discussion about equity is inclusive of Exchangeable securities, which are economically equivalent to the REIT's Units. In our condensed interim consolidated financial statements, the Exchangeable securities are classified as a combination of current and non-current liabilities under IFRS because of the conversion feature that can be exercised by the holder of those securities.

	3-month period ended June 30, 2015	6-month period ended June 30, 2015
Units		
Number at beginning of period	15,298,879	15,278,536
Increase/(Decrease) in number during the period	-	-
Units issued pursuant to the DRIP	22,565	42,908
Number at end of period	15,321,444	15,321,444
Weighted average number during the period	15,310,164	15,299,429
Exchangeable securities		
Number at beginning of period	2,113,494	2,043,347
Increase/(Decrease) in number during the period	65,841	135,988
Number at end of period	2,179,335	2,179,335
Weighted average number during the period	2,114,218	2,079,367
Units and Exchangeable securities		
Number at beginning of period	17,412,373	17,321,883
Increase/(Decrease) in number during the period	88,406	178,896
Number at end of period	17,500,779	17,500,779
Weighted average number during the period	17,424,381	17,378,796

Our Declaration of Trust authorizes the issuance of an unlimited number of Units and an unlimited number of Special Voting Units. Issued and outstanding Units and Special Voting Units may be subdivided or consolidated from time to time by the Trustees without notice to or approval of the Unitholders of the REIT.

A total of 65,841 Exchangeable securities were issued during the period from April 1, 2015 to June 30, 2015 in favor of Inovalis SA as payment of the asset management fee for the second quarter of 2015. 50% of these Exchangeable securities (or 32,920 Exchangeable securities) are subject to an escrow agreement pursuant to which such Exchangeable securities will be released from escrow upon termination of the Management Agreement, except in the case of internalization of the management of the REIT, in which case (i) one third of the Exchangeable securities will be automatically released upon internalization of the management of the REIT, and (ii) one third of the Exchangeable securities will be released on the first and second anniversaries of the internalization of the REIT.

Further to the Distribution Reinvestment Plan ("**DRIP**") in place, a total of 22,565 Units were issued to Unitholders during the quarter ended June 30, 2015 and 42,908 Units were issued during the period from January 1, 2015 to June 30, 2015. As of June 30, 2015, 6.4% of the Units were enrolled in the DRIP.

Subsequent to the quarter, on July 22, 2015, Inovalis SA converted 200,000 Exchangeable securities into the same amount of Units, increasing the total number of Units by 200,000 and decreasing the total number of Exchangeable securities by 200,000. This had no impact on the fully diluted number of Units (including Exchangeable securities).

Distribution and management of foreign exchange risk

Our Declaration of Trust provides our trustees with the discretion to determine the percentage payout of income that would be in the best interests of the REIT. Given that the level of working capital tends to fluctuate over time and should not affect our distribution policy, we do not consider it when determining our distributions.

In order to ensure the predictability of distributions to our Unitholders, we have established an active foreign exchange hedging program. Until June 2018 (included), the REIT is committed to sell €662 (on the average) at an average rate of 1.5090 and to receive $1,000 on a monthly basis. The contracts in place are a combination of forward contracts and of puts and calls (that were chosen so as to make the REIT benefit from an exchange rate higher than the forward contracts rates at the time we entered into these contracts).

(in thousands of CAD$ except for per Unit amounts)	3-month period ended June 30, 2015	3-month period ended June 30, 2014	6-month period ended June 30, 2015	6-month period ended June 30, 2014
Declared distributions on Units	3,158	2,329	6,311	4,657
Declared distributions on Exchangeable securities	438	297	867	584
Total declared distributions	**3,596**	**2,626**	**7,178**	**5,241**
Distribution per Unit (diluted)	$0.21	$0.21	$0.41	$0.41

We currently pay monthly distributions to Unitholders of $0.06875 per Unit, or $0.825 per Unit on an annual basis.

Trade and other payables

Trade and other payables as at June 30, 2015 amounted to $6,421 compared to $5,653 as at December 31, 2014. The increase is principally due to the accrual of all property taxes and levies ($1,810), which will resorb itself over the course of the year.

ANALYSIS OF DISTRIBUTED CASH

	3 months ended June 30, 2015	3 months ended June 30, 2014	6 months ended June 30, 2015	6 months ended June 30, 2014
Cash flows from operating activities (A)	5,021	12,010	6,942	16,570
Earnings before income taxes (B)	16,694	(6,884)	19,795	(6,960)
Declared distribution on Units (C)	3,158	2,329	6,311	4,657
Excess (shortfall) of cash flows from operating activities over cash distributions paid (A - C)	1,863	9,681	631	11,913
Excess (shortfall) of profit or loss over cash distributions paid (B - C)	13,536	(9,213)	13,484	(11,617)

As shown in the table above, the cash flows related to operating activities as reported in the REIT's condensed interim consolidated statement of cash flows exceeded the cash distributions declared for the three-month and the six-month periods ended June 30, 2015.

Also, as shown in the table above, the earnings reported during the period exceeded the amount of distributions declared for the three-month and the six-month periods ended June 30, 2015.

Every quarter, the REIT ensures that sufficient funds were being generated from rental operations to continue making distributions at the planned rate. To perform this assessment, management uses the FFO and AFFO measures presented in the section entitled Non-IFRS reconciliation (FFO and AFFO). These measures are used to determine the amount of funds generated by ongoing rental operations that are available for distribution. These measures remove from consideration those gains and losses that are recognized for accounting purposes but that do not impact cash flow. They also remove from consideration various revenues and expenses that are recognized in profit or loss for accounting purposes but which do not arise from ongoing rental operations, for example because they were incurred to acquire revenue generating assets.

As quantified in the FFO and AFFO calculations, the funds used to make the distributions during the current quarter were generated through the REIT's ongoing rental operations.

The REIT expects to continue paying distributions based on the current plan.

RISK AND UNCERTAINTIES

We are exposed to various risks and uncertainties, many of which are beyond our control. Material risks and uncertainties that could materially affect our operations and future performance are described in our prospectus dated March 28, 2013, in our short-form equity offering prospectus dated October 30, 2014, and in our 2014 annual report which are available at www.sedar.com.

OUTLOOK

We believe that the current market environment is a favourable one for the REIT to prosper. In addition to actively managing our properties, we are continuously assessing potential acquisitions in our target markets and will focus on the ones offering value and stability. Our long-term credit worthy tenants, low cost of debt with proper maturity and the foreign exchange rate contracts for our distributions until June 2018, not only provide investors with steady cash flows, but also serve as a basis for future growth. In addition of the cash available, we can also sell some portion of assets that we own to get access to additional cash and at the same time diversify our portfolio risk.

CRITICAL ACCOUNTING POLICIES

The preparation of the REIT's condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments and estimates that affect the reported amounts of revenues and investment properties owned directly and indirectly at the reporting date. However, uncertainty about these estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

We consider the following policies and estimates to be the most critical in understanding the assumptions and judgments that are involved in preparing our financial statements and the uncertainties that could affect our financial results, financial condition and cash flows: (i) recognition and valuation of investment properties; and (ii) distinction between business combinations or asset acquisitions.

A more detailed description of significant accounting policies and critical accounting judgement and estimates that we apply under IFRS is provided in notes 3 and 4 of the audited annual consolidated financial statements for the year ended December 31, 2014.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The REIT's Chief Executive Officer (the "**CEO**"), and the Chief Financial Officer (the "**CFO**") of the REIT are responsible for establishing and maintaining the REIT's disclosure controls and procedures ("**DCP**") including adherence to the Disclosure Policy adopted by the Board of Trustees. The Disclosure Policy requires all staff and certain other personnel providing services to the REIT to keep senior management fully apprised of all material information affecting the REIT so that they may evaluate and discuss this information and determine the appropriateness and timing for public release.

The REIT's CEO and the CFO are also responsible for the design of internal controls over financial reporting ("**ICFR**"). Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the REIT, (2) provide reasonable assurance that all transactions are recorded as necessary to permit the preparation of financial statements in accordance with International Financial Reporting Standards, and that receipts and expenditures of the REIT are being made only in accordance with authorizations of the management and Trustees of the REIT, and 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the REIT's assets that could have a material effect on the REIT's financial statements.

A control system, no matter how well conceived and operated, can provide only reasonable, and not absolute, assurance that the objectives of the control system are met. As a result of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, amongst other items: (i) that Management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; or (ii) the impact of isolated errors. Additionally, controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by Management override. The design of any system of controls is also based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals.

Over the last months, given the continued growth and diversification of the REIT's investments, methods of financing and hedging activities, several new financial statement lines were added to the financial statements. Consequently, several new internal controls were implemented to mitigate the related risk of misstatement, notably with respect to the Investment accounted for using the equity method, the Acquisition loan, the deferred income taxes and the financial disclosure associated with hedge accounting.

SUBSEQUENT EVENTS

New acquisition

Subsequent to the quarter, on July 7, 2015, the REIT completed the acquisition of a 25% interest, on a joint-venture basis, in a 330,681 square foot office property located in Arcueil (Paris' first Southern periphery) fully let under a lease expiring in March 2023 to investment grade tenant Orange that has an estimated value $125 million (representing 100% of the property). The REIT's share of the equity investment amounted to approximately $14 million and was funded with cash on hand. The REIT acquired the property at a going-in cap rate of 7.2% (before leverage). The REIT is responsible for the management of the property, a task initially subcontracted to Inovalis SA, until the REIT internalizes all asset management services. This transaction is in partnership with an IGIS' Fund, which is subscribed by Samsung Securities, a highly reputable international partner and is managed by IGIS Asset Management of South Korea. The IGIS' Fund has provided the balance 75% equity interest in the property. The REIT will have the option to purchase IGIS' Fund's participation from the third anniversary of the acquisition. If eventually the asset is sold, the REIT will receive 75% of the profit generated by the transaction.