

Inovalis Real Estate Investment Trust Announces Closing of \$51.5 Million Bought Deal Financing

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TORONTO, December 23, 2019 /CNW/ Inovalis Real Estate Investment Trust (the “**REIT**”) (TSX: INO.UN) today announced the closing of its previously announced public offering (the “**Offering**”) of 4,835,110 trust units (“**Units**”), inclusive of 609,710 Units issued pursuant to the partial exercise of the over-allotment option, on a bought deal basis, at a price of \$10.65 per Unit for total gross proceeds to the REIT of \$51,493,921.50. The Offering was completed through a syndicate of underwriters co-led by Desjardins Capital Markets and BMO Capital Markets, and including CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., TD Securities Inc., Canaccord Genuity Corp., Industrial Alliance Securities Inc., Echelon Wealth Partners Inc., Laurentian Bank Securities Inc., Manulife Securities Incorporated, and Stifel Nicolaus Canada Inc..

The REIT intends to use the entirety of the net proceeds of the Offering to fund the purchase price for the remaining 75% interest in the office property located in Greater Paris, France (the “**Arcueil Property**”), in which the REIT currently has a 25% interest as part of a joint venture (the “**Acquisition**”). On December 20, 2019, the REIT entered into a definitive agreement with its joint venture partner representing a purchase price of €35.8 million. The Acquisition is expected to close on or about December 31, 2019. To the extent there are any remaining proceeds following the completion of the Acquisition, or if the Acquisition is not completed, the REIT intends to use the unutilized net proceeds for potential future acquisitions of office properties located in France and Germany and for potential capital expenditures relating to the re-positioning and/or re-development of currently owned properties.

The REIT’s Units are listed on the Toronto Stock Exchange under the symbol INO.UN.

Forward-Looking Information

This press release contains forward-looking statements within the meaning of applicable securities legislation. Forward-looking information 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 similar expressions suggesting future outcomes or events. Some of the specific forward-looking information in this press release may include, among other things, the REIT’s operations, strategy, financial performance and financial condition, as well as the REIT’s expectations regarding the Offering and the acquisition of the 75% interest in the Arcueil property. Forward looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the REIT’s control that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to: global and local economic and business conditions; the financial condition of tenants; our ability to refinance maturing debt; leasing risks, including those associated with the ability to lease vacant space; and interest and currency rate functions; as well as the risk that the properties may not perform as anticipated. The REIT’s objectives and forward-looking statements are based on certain assumptions, including that the Canadian and European economies remain stable, interest rates

remain stable, conditions within the real estate market remain consistent, competition for acquisitions remains consistent with the current climate and that the capital markets continue to provide ready access to equity and/or debt. All forward-looking information in this news release speaks as of the date of this news release. The REIT does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise except as required by law. Additional information about these assumptions and risks and uncertainties is contained in the REIT's filings with securities regulators, including its latest MD&A.

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 eleven office properties in France and Germany, comprising approximately 1,409,113 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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