

INOVALIS

REAL ESTATE INVESTMENT TRUST

FOR IMMEDIATE RELEASE

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

INOVALIS REAL ESTATE INVESTMENT TRUST ANNOUNCES IT HAS COMPLETED THE ACQUISITION OF 100% OWNERSHIP IN ARCUEIL PROPERTY

Toronto, Ontario, January 23, 2020 – Inovalis Real Estate Investment Trust (the “REIT”) (TSX: INO.UN) announced today that the REIT completed the purchase of its joint venture partner’s 75% ownership interest in the Arcueil property on December 18th, 2019. The acquisition was completed at an attractive capitalization rate of 7.7% and will provide mid-single digit accretion to 2020 and 2021 AFFO per unit estimates.

The acquisition was financed by a previously announced bought deal through the issuance of 4,835,110 trust units at a price of \$10.65 per Unit, for total gross proceeds of \$51.5 million. The offering closed on December 23, 2019.

Prior to the acquisition, the REIT owned a 25% minority interest in the office building in Arcueil, France and had an agreement in place with the REIT’s joint venture co-owner to acquire the remaining 75% interest in the property. The Arcueil property is located in the Vache Noire district of the southern rim of Paris and is fully leased to the Orange Group (mobile division of France Telecom) with the existing lease set to expire in March 2023. The property consists of 9 upper levels and 2 basement levels, with 253 parking spaces (40 outdoor and 213 indoor) and office floor plates of approximately 2,500 sq. m.

“This acquisition illustrates the benefit of past joint venture acquisitions to warehouse assets and crystalize the embedded value within the portfolio. It also represents a first step in simplifying the ownership structure of the REIT, by reducing the number of joint-venture properties over the next 12 to 18 months” stated David Giraud, CEO of the REIT.

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 interests in office properties in both France and Germany.

Forward-Looking information

This news release contains forward-looking information within the meaning of applicable securities legislation. Forward-looking information generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", or "continue", or similar expressions suggesting future outcomes or events. 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 Inovalis 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. 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. Inovalis 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 annual information form and MD&A.

For further information, please contact:

David Giraud, Chief Executive Officer

Inovalis Real Estate Investment Trust

Tel: +33 1 56 43 33 23

david.giraud@inovalis.com

Khalil Hankach, Chief Financial Officer / Chief Investment Officer

Inovalis Real Estate Investment Trust

Tel:+33 1 56 43 33 13

khalil.hankach@inovalis.com