

INOVALIS

REAL ESTATE INVESTMENT TRUST

FOR IMMEDIATE RELEASE

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INOVALIS REIT ANNOUNCES HANOVER PROPERTY SALE

Toronto, Ontario, February 7, 2019 – Inovalis Real Estate Investment Trust (“Inovalis REIT” or the “REIT”) (TSX: INO.UN) announced today it has closed the disposition of its Hanover Property, for €25.6 million, in line with its IFRS value.

The property, was acquired by the REIT for €20.5 million in April, 2013, upon closing its initial public offering. The sale crystalized for unitholders the substantial increase in the property’s value, resulting from full occupancy on a long term lease in a market where capitalization rates have compressed.

Net cash proceeds from the sale following the repayment of property level debt and transaction costs were approximately €11 million. The purchaser assumed obligations of approximately €635,000 the REIT had undertaken to complete pursuant to a tenant lease. The REIT incurred additional costs of €667,000 associated with the lease in the fourth quarter of 2018. On closing, the REIT retired the €12.6 million credit facility secured by the Hanover property, subject to an early repayment fee of €846,000.

Stéphane Amine, President of Inovalis REIT commented, “this sale confirms the value of our assets has appreciated significantly since our IPO. We are conducting due diligence on several potential property acquisitions with the expectation to deploy our resources into higher yielding investments over the next few months.”

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.

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