

INOVALIS

REAL ESTATE INVESTMENT TRUST

Inovalis REIT Provides Business Update Related to COVID-19 Pandemic

Non-material impact of Covid-19 on REIT Portfolio to date; Liquidity position remains strong

Toronto, Ontario, April 17, 2020 – Inovalis Real Estate Investment Trust (“Inovalis” or the “REIT”) (TSX: INO.UN) today provided an update on the impact of COVID-19 on its operations and its current liquidity position.

OPERATING UPDATE

Tenants

- **As of April 16, 2020, rental collections for the month of April and for the quarter ended June 30, 2020 have been in line with pre-COVID levels, with a few minor exceptions.** To date, the REIT has received more than 95% of the April monthly rents on its German portfolio, and 70% of the 2nd quarter rents on its French portfolio. The REIT expects the collection of rents from smaller tenants to continue such that the REIT expects to reach at least 90% of the 2nd quarter rents in France and 98% of the April rents in Germany.
- **The REIT’s portfolio consists only of office tenants and has no hospitality or retail exposure, which are industries particularly affected by COVID-19.**
- **To date, the requests from tenants for rent assistance have been minimal but those that have requested assistance have either asked for a deferral of payments for a period of 3-6 months or cancelation of their rent until the end of the confinement period (from March 15th). Management has been assessing such requests on a case by case basis based on their nature and economic legitimacy.**
- The impact to date of rent delays or cancelations represents approximately 10% of the REIT’s quarterly NOI and approximately 3% of the REIT’s annual NOI.

As governments, businesses and communities are facing the short-term impacts of COVID-19 on economic growth, business activity and individual behavior, a rebound in the global economy is not expected before Q2 2020. The German and French governments have begun to suggest cautious re-entry plans, beginning on May 3rd and May 11th respectively. These plans, if implemented, would allow for certain schools and small businesses to re-open while maintaining strict social distancing rules and should further reduce the impact of COVID-19 on rents for the 3rd quarter.

Debt Management

FRANCE

Management has contacted all of its lenders in France and expects that loan payments of one to two quarters will be postponed.

As at April 16, 2020, all the REIT's loan payments for the 2nd quarter have been postponed. The lenders intend to review the situation with each borrower based on their global approach and the rental situation regarding each asset to determine whether each loan postponement will continue for amounts due in the 3rd quarter and when and how such postponed amounts are to be paid.

We expect the postponed amounts to either be added to the loan amount and paid at maturity or be paid back in additional even installments either (i) over the rest of the loan period or (ii) will be paid back in additional installments over the next two years (2021 and 2022).

GERMANY

Management contacted all of its lenders in Germany despite the fact that France was one week ahead of Germany with respect to the lockdown. The German lenders are managing the process on a case by case basis. The borrower in each case must show that the rental income of the asset has been significantly impacted by deferrals or cancelations and only then will the lender consider postponing any payments.

Given the REIT has experienced very little impact in Germany from rent deferrals, the REIT has not had any deferrals from the German lenders on debt payments. However the REIT will monitor the situation should circumstances change.

Liquidity

Following the sale of Vanves in December 2019 and given that rent collection to date has been minimally affected by the COVID-19 outbreak, the REIT remains in a healthy liquidity position to deal with upcoming uncertainty.

- As of the year ended 2019, the REIT had \$55M of cash on balance sheet.
- Debt maturities in 2020 are \$36.75M which the REIT is currently negotiating in order to extend for at least 3 years.

The REIT will continue to assess market conditions and intends to utilize a portion of its liquidity for its previously announced normal course issuer bid as well as for attractive asset acquisition opportunities that it expects to see over the balance of 2020.

(Euro/CAD – €1/\$1.5)

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 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; 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. In particular, there is uncertainty about the spread of the COVID-19 virus and the impact it will have on the REIT's operations, the demand for the REIT's properties and global supply chains and economic activity in general. 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 annual information form and MD&A.

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