

INOVALIS

REAL ESTATE INVESTMENT TRUST

FOR IMMEDIATE RELEASE

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INOVALIS REAL ESTATE INVESTMENT TRUST REPORTS FINANCIAL RESULTS FOR THE FOURTH QUARTER AND THE YEAR ENDED DECEMBER 31, 2018

TORONTO, April 1, 2019 /CNW/ - Inovalis Real Estate Investment Trust (the "REIT") (TSX: INO.UN) today reported strong financial results for the year ended December 31, 2018.

Highlights include:

- Earnings for the year were \$22.3 million, representing a 15.1% increase over 2017;
- Funds from operations ("FFO") in 2018 were \$27.4 million, an increase of 40.2% over 2017;
- Adjusted funds from operations ("AFFO") were \$24.1 million, a 13.4% increase over 2017;
- FFO per unit for the year was 98 cents and increase of 18 cents, or 22.5%;
- FFO payout ratio was 84.3%; and
- AFFO payout ratio was 95.9%.

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. Some of the specific forward-looking information may include, among other things, the REIT's expectations regarding the Property, including the extent to which the Property is expected to be accretive to FFO and AFFO per unit. 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' 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; and with respect to the Property referred to in this news release, the failure to realize the expected benefits from the Property, 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. Inovalis 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.

"FFO" and "AFFO" are non-GAAP measures (see below).

Non-GAAP Measures

The REIT's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). This press release contains references to financial measures, which may include "AFFO" and "FFO". These measures do not have a standardized meaning under IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. The REIT has presented such non-GAAP measures as management believes they are relevant measures of the REIT's underlying operating performance. Non-GAAP measures should not be considered as alternatives to net income, total comprehensive income or cash generated from (utilized in) operating activities as indicators of the REIT's performance, liquidity, cash flow, and profitability. For a full description of these measures and a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to "Non-GAAP Measures and Other Disclosures" in the REIT's most recent Management's Discussion and Analysis.

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.

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