

Inovalis Real Estate Investment Trust announces Closing of \$46 million Bought Deal Financing

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TORONTO, July 25, 2016 /CNW/ Inovalis Real Estate Investment Trust (“**Inovalis REIT**” or the “**REIT**”) (TSX: INO.UN) today announced the closing of its previously announced public offering (the “**Offering**”) of 4,842,190 trust units (“**Units**”), inclusive of 631,590 Units issued pursuant to the exercise in full of the over-allotment option, on a bought deal basis, at a price of \$9.50 per Unit for total gross proceeds to the REIT of \$46,000,805. The Offering was conducted through a syndicate of underwriters co-led by Desjardins Securities Inc. and BMO Capital Markets, and including CIBC World Markets Inc., National Bank Financial Inc., GMP Securities L.P., Dundee Securities Ltd., Laurentian Bank Securities Inc., Industrial Alliance Securities Inc., and Manulife Securities Inc. (collectively, the “**Underwriters**”).

The REIT intends to use the net proceeds from the sale of the Units as an available source of funding 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. Until utilized for these purposes, the REIT intends to repay existing outstanding indebtedness in the amount of approximately \$24.7 million with respect to the property located at 44/50 Avenue du Capitaine Glarner, Saint-Ouen, France, as well as for working capital and general trust purposes, including potential acquisitions, none of which have been identified at this time.

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 with respect to the REIT and its operations, strategy, financial performance and financial condition, as well as with respect to the Offering. These statements 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 the negative thereof or similar variations. The actual results and performance of the REIT discussed herein could differ materially from those expressed or implied by such statements. See the risk factors in the public filings of the REIT. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some of the specific forward-looking statements in this press release include, but are not limited to, statements with respect to the REIT's intended use of proceeds of the offering. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition and changes in securities or other laws or regulations or the application thereof. The cautionary statements qualify all forward - looking statements attributable to the REIT and persons acting on its behalf. The assumptions made in making forward-looking statements are referred to in the public filings of the REIT. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release. Except as required by applicable law, the REIT specifically disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise. 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. These filings are also available at the REIT's website at www.inovalisreit.com.

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 1,083,000 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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