

# INOVALIS

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REAL ESTATE INVESTMENT TRUST

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**INOVALIS REAL ESTATE INVESTMENT TRUST ANNOUNCES IT HAS ENTERED INTO AN AGREEMENT FOR THE FORWARD PURCHASE WITH A JOINT-VENTURE PARTNER OF A CLASS-A OFFICE PROPERTY TO BE DEVELOPED IN GERMANY**

**Toronto, Ontario, November 10, 2016** – Inovalis Real Estate Investment Trust (the “REIT”) (TSX: INO.UN) announced today that it has entered into an agreement for the forward purchase of a class-A office property (the “Property”) to be developed in Ingolstadt, Germany (in the heart of the Bavaria region).

Upon completion of its development in the first quarter of 2018, the Property will be fully let to a leading German automotive suppliers and serve as a headquarter under a 10-year firm lease. Building permit for the Property was obtained in September 2016. The Property will be located in a northern periphery of Ingolstadt, close to several strategic industrial sites. It will be a 103,000 sq.ft office mainly property consisting of three buildings (two to four storeys each) together with 309 parking units.

The REIT through Inovalis S.A. relations is looking to share up to 50% of the asset. One of Inovalis S.A. partners has showed great interest for the project.

The net purchase price of the Property of approximately €23.9 million (\$35.2 million) reflects an acquisition yield of 6.5%. A deposit of €1.5 million (\$ 2.2 million) has already been paid upon signature of the forward purchase agreement. The balance of the purchase price will be paid upon completion of the Property with a combination of senior mortgage debt for €14.0 million (C\$ 20.6 million) and an additional equity commitment of approximately €8.4 million (C\$ 12.4 million).

David Giraud, Chief Executive Officer of Inovalis REIT’s, commented: *“This forward financing transaction evidences Inovalis REIT’s ability to acquire attractive properties in an increasingly competitive German investment market. With the combination of a long-term lease and reputed tenancy, the addition of this Property will further strengthen the quality of Inovalis REIT’s portfolio. Also, the Property is located in Ingolstadt, which is one of the very most economically dynamic cities in Bavaria and in Germany. Last, with this transaction, the REIT benefits again from Inovalis SA’s privileged access to private institutional funds”.*

All amounts have been converted to Canadian dollars (\$) using an exchange rate of 1.4741 \$ per €.

### **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 1,082,000 square feet of gross leasable area (taking into account the interests in the properties owned in joint-ventures).

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