



## European Commercial Real Estate Investment Trust Announces Second Quarter 2017 Results

**August 28, 2017 – Toronto, Ontario:** European Commercial Real Estate Investment Trust (“EC-REIT”) (TSX-V: ERE.UN) announced today its financial and operating results for the three and six months ended June 30, 2017. Effective May 3, 2017, European Commercial Real Estate Limited (the “Company”), the predecessor company to EC-REIT, was reorganized into EC-REIT pursuant to the completion of a plan of arrangement (the “Arrangement”) under the *Business Corporations Act* (Ontario).

### HIGHLIGHTS

- On May 3, 2017, the Company completed a public offering and private placement for gross proceeds of \$30.7 million. Concurrently, the Company completed the Arrangement
- On May 11, 2017, EC-REIT acquired a well-located, single-tenant, four asset commercial office property in Landshut, Germany, part of the greater Munich metropolitan region, for €30.2 million;
- On July 26, 2017, EC-REIT completed a public offering and private placement for gross proceeds of approximately \$35.0 million;
- On August 17, 2017, EC-REIT acquired a high-quality, single-tenant commercial office property in the central business district of Brussels, Belgium for approximately €40.7 million;
- Portfolio now consists of six high-quality properties in Germany and Belgium totaling 398,447 square feet with 99.9% occupancy;
- Annual cash distributions of \$0.35 per unit paid quarterly confirmed effective September 30, 2017;
- Acquisition pipeline remains robust with strategy to grow accretively and further diversify European property portfolio; and
- Management and Trustees remain fully aligned with approximately 12% economic ownership of the REIT.

“To date, we completed three non-prime core acquisitions in key targeted European markets pursuant to our stated strategy to grow accretively, diversify and strengthen our property portfolio,” commented Phillip Burns, Chief Executive Officer of EC-REIT. “Looking ahead, our acquisition pipeline remains robust, and we remain confident that we will continue to expand our presence in select European markets with the objective of delivering stable, sustainable and growing cash distributions to our Unitholders.”

“Our most recent acquisition of the Brussels, Belgium office property will be immediately accretive, growing our annual full-year rental income by more than 120% and increasing our AFFO per unit by over 30%,” Mr. Burns concluded.

### FINANCIAL RESULTS

For the three and six months ended June 30, 2017, EC-REIT generated property revenues of \$855,623 and \$1.1 million, respectively, and net operating income of \$633,816 and \$760,339, respectively. Funds from

Operations (“FFO”) for the three months ended June 30, 2017 were \$359,567. Adjusted Funds from Operations (“AFFO”) were \$312,754 for the three months ended June 30, 2017.

“Our results for the first six months of 2017 reflect our expected performance for the period,” stated Ian Dyke, Chief Financial Officer of EC-REIT. “Looking ahead, with our recent acquisitions making a full period’s contribution to our results, as well as our strong and flexible financial position, we are confident that we will see further growth and solid operating performance in the coming quarters. We confirm that we currently are on track toward the quarterly and 12-month AFFO forecast from EC-REIT’s most recent audited forecast of \$1.38m and \$5.6m, respectively,” Mr. Dyke concluded.

EC-REIT’s Management Discussion and Analysis and condensed consolidated interim financial statements for the three and six months ended June 30, 2017 can be found at [www.sedar.com](http://www.sedar.com).

## **DISTRIBUTION POLICY**

On April 27, 2017 and July 18, 2017, EC-REIT disclosed that it intends to make regular quarterly cash distributions. EC-REIT’s Board of Trustees has now declared an initial cash distribution of \$0.14389 per Unit (\$0.35 per Unit annualized) to unitholders of record on September 30, 2017 on October 13, 2017. EC-REIT’s management and certain members of its Board of Trustees have agreed to initially waive receipt of certain cash distributions subject to certain conditions.

## **About European Commercial Real Estate Investment Trust**

EC-REIT is an unincorporated, open-ended real estate investment trust focused on aggregating a bespoke portfolio of high-quality, non-prime core commercial real estate assets in key European markets with strong fundamentals. EC-REIT’s strategy is designed primarily to deliver long-term, secure income with additional potential for capital appreciation. EC-REIT intends to grow by acquiring additional assets consistent with its strategy and which are expected to be accretive, on a per Unit basis, to its earnings. EC-REIT’s Units are listed on the TSXV under the symbol ERE.UN.

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*The information in this news release includes certain information and statements about management’s view of future events, expectations, plans and prospects that constitute forward looking statements. These statements are based upon assumptions that are subject to significant risks and uncertainties. Because of these risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward-looking statements. Any number of factors could cause actual results to differ materially from these forward-looking statements as well as future results. Although EC-REIT believes that the expectations reflected in forward looking statements are reasonable, it can give no assurances that the expectations of any forward-looking statements will prove to be correct. Except as required by law, EC-REIT disclaims any intention and assumes no obligation to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.*

*EC-REIT uses financial measures regarding itself, such as funds from operations and adjusted funds from operations, that do not have standardized meaning under the International Financial Reporting Standards (“IFRS”) and may not be comparable to similar measures presented by other entities (“non-IFRS measures”). Further information relating to non-IFRS measures, is set out in EC-REIT’s final short form prospectus dated July 18, 2017 under the heading “Non-IFRS Measures” and “Non-IFRS Reconciliation”.*

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