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EUROPEAN COMMERCIAL REAL ESTATE INVESTMENT TRUST PRICES \$33.4 MILLION PUBLIC OFFERING AND \$1.6 MILLION PRIVATE PLACEMENT FOR GROSS PROCEEDS OF APPROXIMATELY \$35.0 MILLION

EC-REIT ALSO ANNOUNCES FILING OF FINAL PROSPECTUS

Toronto, Ontario (July 18, 2017) European Commercial Real Estate Investment Trust (“**EC-REIT**” or the “**REIT**”) (TSXV: ERE.UN) is pleased to announce that the REIT has filed a final short form prospectus (the “**Final Prospectus**”) in all provinces and territories of Canada in respect of a marketed offering (the “**Offering**”) of 7,430,500 units of the REIT (the “**Units**”). The Units will be issued at a price of \$4.50 per Unit (the “**Offering Price**”) for gross proceeds of \$33.4 million.

Copies of the Final Prospectus will be available under the REIT’s profile on SEDAR at www.sedar.com.

The closing of each of the Offering and a previously announced private placement (the “**Private Placement**”), pursuant to which EC-REIT will issue 347,500 Units at the Offering Price for gross proceeds of approximately \$1.6 million, is expected to occur on or about July 26, 2017 and will result in the REIT raising total gross proceeds of approximately \$35.0 million.

In connection with each of the closings, the net proceeds of the Offering and the Private Placement will be partly used to fund the previously announced acquisition (the “**Acquisition**”) of an office property located in the central business district of Brussels, Belgium, for approximately €40.7 million (the “**Brussels Property**”). The Acquisition is expected to close in the third quarter of 2017.

The Brussels Property is 100% leased to the Fédération Wallonie-Bruxelles (“**FWB**”), a government agency with an investment grade credit rating, which has approximately 7.5 years remaining on its initial lease. The acquisition is expected to be financed partially by way of a €25.5 million secured mortgage from a German bank with an approximate 1.8% interest rate for an approximate 7.5 year term. The Acquisition increases the REIT’s portfolio to three properties with a combined occupancy of 99.9% and weighted average lease term of approximately 7.4 years.

Phillip Burns, the Chief Executive Officer of EC-REIT, stated, “The Brussels Property is perfectly in line with the REIT’s strategy and further demonstrates our ability to execute our business plan. We are pleased with the success of the Offering and with our existing and new unitholders who recognize the REIT’s focus on delivering strong income coupled with both organic and accretive acquisition growth.”

The Offering is being underwritten by a syndicate of underwriters led by CIBC Capital Markets. The underwriters have been granted an over-allotment option, exercisable up to 30 days following closing to purchase up to an additional 1,114,575 Units, which, if exercised in full, will increase the total gross proceeds of the Offering by approximately \$5.0 million. If the Acquisition does not close, the net proceeds of the Offering and the Private Placement

will be used by the REIT for future acquisitions and for general trust purposes, as applicable.

The REIT intends to make regular quarterly cash distributions to holders of Units (the “**Unitholders**”), subject to the discretion of the REIT’s board of trustees. Distributions are initially estimated to be \$0.35 per Unit on an annual basis, other than to certain Unitholders and holders of class B LP units of ECRE Limited Partnership (a subsidiary of the REIT), including all of the trustees and officers of the REIT (the “**Waiving Distribution Holders**”) pursuant to certain contractual waivers of distribution, implying an approximately 7.8% annual yield based on the Offering Price. The first distribution which purchasers of Units under the Offering will be eligible to receive is the initial cash distribution of the REIT estimated to be \$0.14389 per Unit, and is expected to be paid on October 13, 2017, to Unitholders of record, other than Waiving Distribution Holders, on September 30, 2017.

The TSXV has conditionally approved the listing of the Units issued pursuant to the Offering and the Private Placement under the symbol “ERE.UN”. Listing is subject to the REIT fulfilling all of the requirements of the TSXV.

The Units have not been, nor will they be, registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the United States Securities Act of 1933, as amended) except pursuant to certain exemptions. This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States or to, or for the account or benefit of, U.S. persons.

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. The 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.

For more information please contact:

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Certain statements contained in this press release constitute forward-looking statements within the meaning of applicable Canadian securities laws which reflect the REIT’s current expectations and projections about future results. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “outlook”, “objective”, “may”, “will”, “expect”, “intent”, “estimate”, “anticipate”, “believe”, “should”, “plans”, “predict”, “estimate”, “potential”, “could”, “likely”, “approximately”, “scheduled”, “forecast”, “variation” or “continue”, or similar expressions suggesting future outcomes or events. They include, but are not limited to, statements with respect to expectations, projections or other characterizations of future events or circumstances, and the REIT’s objectives, goals, strategies, beliefs, intentions, plans, estimates, projections and outlook, including statements relating to the REIT’s plans and objectives of the REIT’s board of trustees, or estimates or predictions of actions of tenants, suppliers, competitors or regulatory authorities and statements regarding the REIT’s future economic performance. The REIT has based these forward-looking statements on its current expectations about future events. Some of the specific forward-looking statements in this press release include, but are not limited to, statements with respect to: (i) the REIT’s intention to provide stable, sustainable and growing cash flows through investments in commercial real estate in Europe and the REIT’s other stated objectives; (ii) the completion of the acquisition of the Brussels Property, the Offering and the Private Placement; (iii) the REIT’s ability to execute its business and growth strategies with its asset manager’s assistance

where applicable, including by making additional acquisitions of properties in Europe when appropriate; and (iv) the REIT's ability to complete acquisitions on terms and conditions favourable to the REIT. The forward-looking statements made in this press release relate only to events or information as of the date on which the statements are made in this press release. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this press release. Such forward-looking statements are based on a number of assumptions that may prove to be incorrect.

Except as specifically required by applicable Canadian securities law, the REIT undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. These forward-looking statements should not be relied upon as representing the REIT's views as of any date subsequent to the date of this press release. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the REIT. For more information, please see "Forward Looking Statements" and "Financial Instruments and Risks and Uncertainties" in the REIT's management discussion and analysis for the three-month period ended March 31, 2017 and European Commercial Real Estate Limited's management information circular dated March 20, 2017 as well as "Forward-Looking Information" in the Final Prospectus.

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