

PROREIT Announces Acquisition Transactions of \$52.2 Million for Industrial Properties in Atlantic Canada and Winnipeg

- Binding agreement for 5 institutional-quality industrial assets comprising 430,000 square feet of GLA in major cities in Atlantic Canada for \$42.5 million
- Completion of previously announced acquisition of a 38,000 square foot small bay industrial building in Winnipeg, Manitoba for \$5.2 million
- Completion of acquisition of an 82,000 square feet light industrial building for redevelopment in Moncton, New Brunswick for \$4.5 million
- Total portfolio comprised of 107 properties and \$750 million of gross book value¹, with exposure to industrial segment at 73% of GLA and 57% of base rent on pro forma basis

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MONTREAL, June 3, 2021 /CNW Telbec/ - PRO Real Estate Investment Trust (TSX:PRV.UN) ("PROREIT" or the "REIT") today announced that it has entered into a binding purchase agreement for a 100% interest in five single-tenant light industrial buildings in Atlantic Canada totaling 430,000 square feet of gross leasable area ("GLA") for an aggregate purchase price of \$42.5 million before closing costs and representing a going in capitalization rate of approximately 6.3% (\$99 per square foot) (the "Atlantic Canada Properties").

In addition, PROREIT has announced the completion of its previously announced acquisition of a small bay industrial building in Winnipeg, Manitoba, comprising 38,000 square feet of GLA for a purchase price of \$5.2 million before closing costs and representing a going in capitalization rate of approximately 6.3% (\$138 per square foot).

PROREIT also announced the completion of a \$4.5 million (\$55 per square foot) acquisition of an institutional quality 82,000 square feet light industrial building in Moncton, New Brunswick for redevelopment.

"With these accretive transactions, we are gaining growth momentum as the economy reopens. We are gearing up for an active year and further strengthen our portfolio with high-quality acquisitions in the robust industrial sector," said James W. Beckerleg, President and Chief Executive Officer of PROREIT.

¹ See "Non-IFRS and Operational Key Performance Indicators". Represents gross book value, GLA and base rent at March 31, 2021, pro forma the sale of a \$4.9 million property completed on April 28, 2021 and the acquisition of 18 properties for \$133.7 million (excluding closing costs), of which 5 properties have been acquired subsequent to March 31, 2021 for \$58.9 million and 13 properties (the Atlantic Canada Properties and the Remaining Winnipeg Properties, as defined herein) are subject to purchase agreements for \$74.8 million.

"We have now completed one of the nine previously announced Winnipeg acquisitions. The remaining purchases are scheduled to close by early in the third quarter. We are pleased with the potential of our Moncton redevelopment opportunity, as we increase our footprint in this growing logistics center of Atlantic Canada. The value of this property has the potential to increase substantially with minimal incremental capital investment required," concluded Mr. Beckerleg.

Atlantic Canada Single-tenant Industrial Portfolio

The institutionally owned and managed warehouse and distribution facilities are located in four of Atlantic Canada's major cities and represent 430,000 square feet of GLA, featuring clear heights of 25-30 feet. The properties, four of which are temperature controlled, are 100% leased to two credit quality tenants with a weighted average lease term of approximately six years. Four of the five leases include contracted rent steps.

Property Address	GLA (Square Feet)
1 Duck Pond Road, Halifax, NS	105,975
550 McAllister Drive, Saint John, NB	104,094
10 Old Placentia Road, S. John's, NF	80,730
460 MacNaughton Avenue, Moncton, NB	76,303
611 Ferdinand Boulevard, Moncton, NB	63,053
	<hr/> 430,155 <hr/>

The \$42.5 million purchase price will be substantially financed from the proceeds of a new \$29.0 million 5-year first mortgage. The balance of the purchase price will be satisfied with cash on hand and operating facilities of \$13.5 million available as a result of the recent \$50.0 million private placement of equity. Closing is expected in the next few weeks and is subject to customary conditions.

Winnipeg Acquisition

PROREIT completed one of its nine Winnipeg acquisitions announced on March 15, 2021. The property, located at 61-85 Muir Road in Winnipeg, Manitoba, is in proximity to PROREIT's current Winnipeg portfolio in the Inkster Industrial Park and is a small bay industrial building with clear height of 16 feet and approximately 38,000 square feet of GLA. The property is 100% leased to four tenants with a weighted average lease term of approximately 5 years.

The \$5.2 million purchase price was satisfied with cash on hand as a result of the recent \$50.0 million private placement of equity.

Moncton Acquisition

PROREIT acquired a vacant 82,000 square foot light industrial building in Moncton, New Brunswick for \$4.5 million (excluding closing costs). The building, which was historically owner-occupied, features clear heights of between 26 and 30 feet and is well located in the Moncton Industrial Park close to many of PROREIT's other industrial properties. The redevelopment plan includes reconfiguring the building's shipping and docking capacities to permit a multi-tenant internal layout and improving truck and trailer turning and parking accesses.

At an attractive \$55 per square foot, the \$4.5 million purchase price was substantially financed from the proceeds of a new floating rate \$3.4 million two-year redevelopment loan. The balance of the purchase price was satisfied with cash on hand available as a result of the recent \$50.0 million private placement of equity.

Impact of the Acquisitions on PROREIT's Overall Portfolio

Upon completion of these and previously announced acquisitions, PROREIT's portfolio will be comprised of 107 income producing commercial properties representing approximately 5.5 million square feet of GLA and in excess of \$750 million of Gross Book Value.¹ The addition of the industrial properties will further improve portfolio diversification by increasing exposure to the industrial sector to 73% by GLA and 57% by base rent.¹

The remaining eight previously announced Winnipeg small bay industrial properties, totaling approximately 250,000 square feet, are subject to customary closing conditions, including due diligence provisions, with closing expected by early in the third quarter of 2021 (the "Remaining Winnipeg Properties").

Pro Forma Portfolio²

Province	Based Rent %	GLA %	Asset Class	Base Rent %	GLA %
Maritime Provinces	41%	43%	Industrial	57%	73%
Quebec	12%	14%	Retail	30%	19%
Western Canada	17%	14%	Officer	13%	8%
Ontario	30%	29%			
Total	100%	100%		100%	100%

About PRO Real Estate Investment Trust

PROREIT is an unincorporated open-ended real estate investment trust established pursuant to a declaration of trust under the laws of the Province of Ontario. PROREIT was established in March 2013 to own a portfolio of diversified commercial real estate properties in Canada, with a focus on primary and secondary markets in Québec, Atlantic Canada and Ontario with selective expansion into Western Canada. PROREIT's portfolio is diversified by property type and geography.

For more information on PROREIT, please visit the website at: <https://proreit.com>.

Non-IFRS and Operational Key Performance Indicators

PROREIT's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, PROREIT discloses and discusses certain non-IFRS financial measures, including Gross Book Value. These non-IFRS measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. PROREIT has presented such non-IFRS measures as management of the

REIT believes they are relevant measures of PROREIT's underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to net income, cash generated from (utilized in) operating activities or comparable metrics determined in accordance with IFRS as indicators of PROREIT's performance, liquidity, cash flow, and profitability. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to the "Non-IFRS and Operational Key Performance Indicators" section in PROREIT's management's discussion and analysis for the three month period ended March 31, 2021, available under PROREIT's profile on SEDAR at www.sedar.com.

- 1 See "Non-IFRS and Operational Key Performance Indicators". Represents gross book value, GLA and base rent at March 31, 2021, pro forma the sale of a \$4.9 million property completed on April 28, 2021 and the acquisition of 18 properties for \$133.7 million (excluding closing costs), of which 5 properties have been acquired subsequent to March 31, 2021 for \$58.9 million and 13 properties (the Atlantic Canada Properties and the Remaining Winnipeg Properties) are subject to purchase agreements for \$74.8 million.
- 2 Represents portfolio of 90 properties at March 31, 2021, pro forma the sale of one property completed on April 28, 2021 and the acquisition of 18 properties, of which 5 have been completed subsequent to March 31, 2021 and 13 are subject to purchase agreements (the Atlantic Canada Properties and the Remaining Winnipeg Properties).

Forward-Looking Information

This news release contains forward-looking statements within the meaning of applicable securities legislation. Forward-looking statements are based on a number of assumptions and are subject to a number of risks and uncertainties, many of which are beyond PROREIT's control, that could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking statements.

Forward-looking statements contained in this press release include, without limitation, statements pertaining to the execution by PROREIT of its growth strategy, the anticipated closing of the remaining announced acquisitions and the anticipated terms and financing of these acquisitions, and the future performance of PROREIT. PROREIT's objectives and forward-looking statements are based on certain assumptions, including that (i) PROREIT will receive financing on favourable terms; (ii) the future level of indebtedness of PROREIT and its future growth potential will remain consistent with the REIT's current expectations; (iii) there will be no changes to tax laws adversely affecting PROREIT's financing capacity or operations; (iv) the impact of the current economic climate and the current global financial conditions on PROREIT's operations, including its financing capacity and asset value, will remain consistent with PROREIT's current expectations; (v) the performance of PROREIT's investments in Canada will proceed on a basis consistent with PROREIT's current expectations; and (vi) capital markets will provide PROREIT with readily available access to equity and/or debt.

The forward-looking statements contained in this news release are expressly qualified in their entirety by this cautionary statement. All forward-looking statements in this press release are made as of the date of this press release. PROREIT 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 under "Risk Factors" in PROREIT's latest annual information form and "Risk and Uncertainties" in PROREIT's management's discussion and analysis for the three month period ended March 31, 2021, which are available under PROREIT's profile on SEDAR at www.sedar.com.

Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) accepts responsibility for the adequacy or accuracy of this release.

SOURCE PROREIT

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<https://proreit.mediaroom.com/2021-06-03-PROREIT-Announces-Acquisition-Transactions-of-52-2-Million-for-Industrial-Properties-in-Atlantic-Canada-and-Winnipeg>