



**PROREIT REPORTS SOLID FINANCIAL AND OPERATING PERFORMANCE
FOR SECOND QUARTER 2018
The stage is set for future growth**

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MONTREAL, August 15, 2018 - PRO Real Estate Investment Trust ("PROREIT" or the "REIT") (TSXV: PRV.UN) is pleased to report financial and operating results for the three-months (or "second quarter") and six-months ended June 30, 2018. PROREIT is reporting strong gains in net assets, property revenue, net operating income ("NOI")⁽¹⁾ and adjusted funds from operations ("AFFO")⁽¹⁾. The REIT is also reporting significant gains in the committed occupancy rate of the portfolio, a longer weighted average lease term and significant expansion in gross leasable area ("GLA").

Coincident with these quarterly results, PROREIT also announced today the closing of its previously announced proposed acquisition of four convenience store anchored properties in Quebec. This \$8.95 million transaction included the issuance to the vendor of 995,150 Class B limited partnership units ("Class B LP Units") of PRO REIT Limited Partnership, a subsidiary of the REIT, at a price of \$2.30 per unit. The Class B LP Units are economically equivalent to and exchangeable for trust units of the REIT on a one-for-one basis.

Growth and Diversification

"Year-to-date, 2018 has been one of the most active periods in our history," said James W. Beckerleg, President and Chief Executive Officer. "Our achievements since December 31, 2017 are expected to add significant operating and value improvements to the REIT later this year and in future quarters.

"Following a significant capital raise in January, we completed the redeployment of the new funds in the final days of the second quarter, closing eight high quality property acquisitions and the acquisition of the business and assets of Compass Commercial Realty, a prominent property management firm headquartered in Halifax, Nova Scotia. The acquisition of this established firm will enable us to internalize most of our property management services across the country by December 31, 2018, providing improved tenant relationships and financial accretion for all unitholders. These strategic acquisitions have strengthened the REIT and will enable us to continue building a well-managed national portfolio of high quality properties.

"PROREIT's expansion confirms a strengthening risk profile for our unitholders," added Mr. Beckerleg. "We have diversified the geographic and sectoral footprint of the portfolio, and successfully strengthened occupancy levels to above 97%, underpinned by high quality tenants. In particular, we have increased our footprint in western Canada and Ontario and are developing a more balanced mix between our four commercial real estate sectors. The industrial sector in particular has grown in

¹ Non-IFRS measure. See "Non-IFRS and Operational Key Performance Indicators".

stature within the portfolio, highlighted by the acquisition at the end of June 2018 of six new properties comprising 237,430 square feet in Winnipeg, Manitoba, a good market with future upside for PROREIT.

“Leasing operations are encouraging. Leases for over 97% of 2018 maturities have been achieved with net increases over renewed terms of 5.5%. Also, our committed occupancy rate climbed to 97.6%, an achievement, especially given the increasing number of properties in our portfolio over the period. This committed occupancy level is our highest since 2014. It should be noted that this committed space, when fully cash flowing by the beginning of 2019, is expected to add more than \$1.3 million to NOI⁽¹⁾. This number is up from \$830,000 at March 31, 2018.

“We are very proud of our progress and we believe strongly that our unitholders will be rewarded as we continue to apply our growth strategies and build a strong financial and operating profile for PROREIT,” concluded Mr. Beckerleg.

FINANCIAL RESULTS

<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>	3 Months Ended June 30 2018	3 Months Ended June 30 2017	6 Months Ended June 30 2018	6 Months Ended June 30 2017
Financial data				
Property revenue	\$ 9,075	\$ 7,035	\$ 18,472	\$ 14,518
Net operating income (NOI) ⁽¹⁾	\$ 5,855	\$ 4,444	\$ 11,746	\$ 8,977
Total assets	\$ 415,268	\$ 258,800	\$ 415,268	\$ 258,800
Debt to Gross Book Value ⁽¹⁾	60.11%	50.87%	60.11%	50.87%
Interest Coverage Ratio ⁽¹⁾	2.7x	2.8x	2.6x	2.8x
Debt Service Coverage Ratio ⁽¹⁾	1.6x	1.6x	1.6x	1.6x
Weighted average interest rate on mortgage debt	3.80%	3.73%	3.80%	3.73%
Net cash flows provided from operating activities	\$ 2,932	\$ 333	\$ 5,397	\$ 2,320
Funds from Operations (FFO) ⁽¹⁾	\$ 2,522	\$ 2,385	\$ 4,991	\$ 4,927
Basic FFO per unit ⁽¹⁾⁽²⁾	\$ 0.0340	\$ 0.0479	\$ 0.0694	\$ 0.1012
Diluted FFO per unit ⁽¹⁾⁽²⁾	\$ 0.0333	\$ 0.0468	\$ 0.0679	\$ 0.0987
Adjusted Funds from Operations (AFFO) ⁽¹⁾	\$ 3,256	\$ 2,525	\$ 6,455	\$ 5,092
Basic AFFO per unit ⁽¹⁾⁽²⁾	\$ 0.0439	\$ 0.0508	\$ 0.0897	\$ 0.1047
Diluted AFFO per unit ⁽¹⁾⁽²⁾	\$ 0.0430	\$ 0.0496	\$ 0.0879	\$ 0.1021
AFFO Payout Ratio – Basic ⁽¹⁾	119.6%	103.3%	117.1%	100.3%
AFFO Payout Ratio – Diluted ⁽¹⁾	122.1%	105.8%	119.5%	102.9%

⁽¹⁾ Non-IFRS measure. See "Non-IFRS and Operational Key Performance Indicators".

⁽²⁾ Total basic units consist of trust units of the REIT and Class B LP Units. Total diluted units also include deferred trust units.

For the three-months ended June 30, 2018, compared to the three months ended June 30, 2017, PROREIT grew property revenues, NOI⁽¹⁾ and AFFO⁽¹⁾ at double digit rates. The increases are mainly due to the 35 net property acquisitions completed in the twelve months since the end of the second quarter of 2017. It should be noted that eight property acquisitions closed in the last two weeks of June 2018. These properties did not therefore contribute meaningfully to financial results for the second quarter and six-months ended June 30, 2018.

¹ Non-IFRS measure. See "Non-IFRS and Operational Key Performance Indicators".

For the three months ended June 30, 2018, PROREIT recorded property revenue of \$9.075 million, a 29.0% increase compared to \$7.035 million in the second quarter of 2017. For the six-month period ended June 30, 2018, revenues increased 27.2% to \$18.47 million, compared to the same period in 2017.

NOI⁽¹⁾ increased 31.8% to \$5.86 million in the second quarter compared to the three months ended June 30, 2017. The increase in NOI⁽¹⁾ was driven mainly by the REIT's property acquisitions during the twelve months ended June 30, 2018. For the six-month period ended June 30, 2018, NOI⁽¹⁾ increased 30.8% to \$11.75 million, compared to \$8.98 million for the same period in 2017.

For the second quarter, PROREIT generated AFFO⁽¹⁾ of \$3.26 million, a 29.0% increase over AFFO⁽¹⁾ of \$2.53 million for the same period in 2017. AFFO⁽¹⁾ for the six months ended June 30, 2018 was \$6.46 million, an increase of 26.8% compared to the first six months of 2017.

For both the three-month and six-month periods ended June 30, 2018, AFFO⁽¹⁾ per unit and the AFFO payout ratio⁽¹⁾ were impacted temporarily by the high cash position of the REIT as a result of the \$28.8 million equity raise in January 2018. As mentioned above, acquisitions totaling \$37 million announced during the second quarter closed only at the end of the quarter, and therefore did not contribute significantly to AFFO⁽¹⁾ per basic unit in the quarter. The significant cash flow that will be generated from these acquisitions will start to be realized in the third and future quarters.

AFFO⁽¹⁾ per basic unit in the second quarter was \$0.0439, down from \$0.0508 per basic unit in the second quarter of 2017. For the six-month period ended June 30, 2018, AFFO⁽¹⁾ per basic unit was \$0.0897, down from \$0.1047 per basic unit for the same six months in 2017.

For the three months ended June 30, 2018, the REIT declared three distributions totalling \$0.0525 per trust unit of the REIT. The AFFO payout ratio⁽¹⁾ in the second quarter of 2018 was 119.6%, compared to a payout ratio of 103.3% in the second quarter of 2017. For the six-month period, the AFFO payout ratio⁽¹⁾ was 117.1% compared to 100.3% at June 30, 2017.

The balance sheet grew substantially to \$415.27 million at June 30, 2018, compared to our total assets of \$258.80 million at June 30, 2017. The increase in total assets is due to the acquisition of 35 net additional properties since June 30, 2017.

At June 30, 2018, debt to gross book value⁽¹⁾ stood at 60.11%, compared to 50.87% on June 30, 2017. The weighted average interest rate on mortgage debt was stable at 3.80% in the second quarter, compared to 3.73% in the three months ended June 30, 2017.

At June 30, 2018, the basic weighted average number of units outstanding stood at 74,113,630 units compared to 49,738,603 units outstanding at June 30, 2017.

¹ Non-IFRS measure. See "Non-IFRS and Operational Key Performance Indicators".

OPERATING RESULTS

	June 30 2018	June 30 2017
Operational data		
Number of properties	73	38
Gross leasable area (square feet)	3,039,510	1,792,211
Occupancy rate ⁽¹⁾	97.6%	94.0%
Weighted average lease term to maturity (years)	6.6	6.3

⁽¹⁾ Occupancy rate includes lease contracts for future occupancy of currently vacant space. Management believes the inclusion of this committed space provides a more balanced reporting. The committed space at June 30, 2018 was approximately 98,408 square feet of GLA (6,200 square feet of GLA at June 30, 2017).

PROREIT's portfolio is yielding strong performance and is expected to continue to do so throughout the remainder of the year.

At the end of the second quarter, the REIT's occupancy rate had increased to 97.6% compared to 94.0% at June 30, 2017. Weighted average lease terms lengthened to 6.6 years at the end of the second quarter. The REIT believes this performance reflects the quality of the REIT's commercial properties, the majority of which are anchored by, and continue to attract, high quality tenants, with strong covenants.

At June 30, 2018, GLA stood at 3,039,510 square feet, an increase of 69.6% compared to 1,792,211 square feet on June 30, 2017. The increase of 1,247,299 square feet compared to June 30, 2017 is a result of the net acquisition of 35 properties during the preceding 12 months.

At June 30, 2018, the REIT's total portfolio consisted of 73 properties compared to 38 at the end of the second quarter of 2017. The bulk of the growth occurred in the industrial and retail segments, followed by mixed use commercial, and office. Including the closing of the acquisition of four additional properties announced today, the portfolio now includes four office properties representing approximately 154,000 square feet of GLA, 50 retail properties representing approximately 1,088,000 square feet of GLA, 16 industrial properties representing approximately 1,366,000 square feet of GLA and seven commercial mixed-use properties representing approximately 444,000 square feet of GLA.

Government and national tenants represent 88.8% of base rent at the end of the second quarter. The REIT's top ten tenants, which are strong brand name companies or governments, represent approximately 40.2% of total base rent at the end of the second quarter. The diverse tenant base has a staggered lease maturity profile with no more than 12.8% of base rent maturing in any given period within the next five years.

SUBSEQUENT EVENTS

Coincident with these quarterly results, the REIT today announced that it has closed the previously announced proposed acquisition of four properties located in Montreal, Sherbrooke, Laurier Station and Lévis in Quebec, each with national tenants. The four buildings, totaling 13,606 square feet, were acquired for \$8.95 million, excluding closing costs, from vendors of which a trustee of the REIT, Vincent Chiara, is considered a related party. The consideration for the acquisition comprised cash portion of \$6.67 million, financed by the assumption of existing mortgage debt, new first mortgages and the REIT's lines of credit, plus the issuance of 995,150 Class B LP Units at a price of \$2.30 per unit.

STRATEGY AND OUTLOOK

Commercial real estate markets in Canada remain strong and pricing continues to be competitive. As PROREIT continues to grow, management is gaining access to more potential transactions. We will remain very focused on finding the right opportunities in a competitive environment, especially given increasing interest rates and challenges in parts of the retail sector. As was the case in the competitive Winnipeg transaction at the end of the second quarter, PROREIT has demonstrated our ability to compete for and acquire good properties. Our pipeline of opportunities remains active.

PROREIT has only a modest level of debt maturing in the coming year and does not expect a significant negative impact results from increases in interest rates that are occurring. Currently, the average term of the REIT's mortgage debt outstanding is over five years.

PROREIT's newest acquisitions are now being integrated into the portfolio and are now contributing to our solid financial and operating results. For the balance of 2018, management expects continued growth and improved operating results for our unitholders as we continue to execute on our strategies.

About PROREIT

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.

Additional Financial Information

PROREIT's condensed interim consolidated financial statements and interim management's discussion and analysis for the second quarter of 2018 are available under PROREIT's profile on SEDAR at www.sedar.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 Adjusted Funds From Operations ("AFFO"), Funds From Operations ("FFO"), Net Operating Income ("NOI"), Debt to Gross Book Value, Interest Coverage Ratio, Debt Service Coverage Ratio, and payout ratios as well as other measures discussed elsewhere in this release. 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 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 months ended August 15, 2018, available on SEDAR at www.sedar.com.

Forward-Looking Statements

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 is 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 includes, without limitation, statements pertaining to the ability of the REIT to execute its business and growth strategies; the REIT's future financial performance; the impact of any increases in interest rates; and the impact of the REIT's acquisitions on the REIT's future results. 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 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, which is available on SEDAR at www.sedar.com.

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