



PROREIT COMPLETES \$40.3 MILLION EQUITY OFFERING INCLUDING FULL EXERCISE OF OVER-ALLOTMENT OPTION

September 28, 2018 - Montréal, Québec - PRO Real Estate Investment Trust (“**PROREIT**” or the “**REIT**”) (TSXV: PRV.UN) is pleased to announce the closing of its previously announced offering (the “**Offering**”) of trust units of the REIT (the “**Units**”) on a bought deal basis. Pursuant to the Offering, the REIT issued 17,365,000 Units at a price of \$2.32 per Unit for total gross proceeds of \$40,286,800, including 2,265,000 Units issued pursuant to the full exercise of the over-allotment option.

The Offering was conducted through a syndicate of underwriters, including Canaccord Genuity Corp. and TD Securities Inc. as joint bookrunners and Scotiabank, collectively as co-lead underwriters, as well as BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Haywood Securities Inc., Industrial Alliance Securities Inc., Raymond James Ltd., Laurentian Bank Securities Inc. and Leede Jones Gable Inc.

The Units were issued pursuant to a short form prospectus dated September 21, 2018 filed with securities regulatory authorities in all provinces of Canada (the “**Prospectus**”). A copy of the Prospectus is available under the REIT’s profile on SEDAR at www.sedar.com.

The REIT intends to use the net proceeds from the Offering to partially fund the Acquisitions (as defined below), to repay certain indebtedness which may be subsequently redrawn, and the balance, if any, to fund future acquisitions and for general business and working capital purposes.

Property Acquisitions

The REIT announced on September 11, 2018 its proposed acquisition of six commercial properties for an aggregate purchase price of approximately \$61.7 million (excluding closing costs) (the “**Acquisitions**”). Upon completion of the Acquisitions, the REIT’s portfolio will be comprised of 82 income producing commercial properties representing approximately 3.5 million square feet of gross leasable area (“**GLA**”).

The six properties represent an aggregate of approximately 458,000 square feet of GLA, comprised of five office properties in Ottawa, Ontario (282,000 square feet of GLA) and one light industrial building in Saint-Hyacinthe, Québec (176,000 square feet of GLA). The combined occupancy rate of the six properties is 98.3%, and in-place leases have a weighted average lease term of 4.9 years from a base of tenants providing strong covenants. The completion of the Acquisitions on the terms proposed is expected to be accretive to the REIT’s unitholders.

The REIT expects to close the Acquisitions in the fourth quarter of 2018. The Acquisitions are subject to customary due diligence and closing conditions, including with respect to financing and regulatory approvals.

Intention to Internalize Management

The REIT expects that its gross book value (“**GBV**”), determined in accordance with the terms of its external management agreement (the “**Management Agreement**”), will be approximately \$488 million after the completion of the Acquisitions. The REIT announced on September 11, 2018 that it plans to exercise its option, provided for in the Management Agreement, to internalize its asset management function once its GBV reaches \$500 million (the “**Internalization**”). Assuming the completion of the Acquisitions and the redeployment of a portion of the net proceeds of the Offering to fund future acquisitions in the fourth quarter of 2018, the REIT anticipates that the Internalization will be completed in the first quarter of 2019, in accordance with the terms of the Management Agreement.

Proposed TSX Graduation

The REIT announced on September 11, 2018 that following completion of the Acquisitions, the REIT intends to initiate the process of graduating to the Toronto Stock Exchange (the “**TSX**”). The graduation of the REIT to the TSX will be subject to the approval of the TSX in accordance with its original listing requirements. The TSX has not conditionally approved the graduation of the REIT to the TSX, and there is no assurance that the TSX will approve such graduation.

For more information on the Offering, PROREIT’s intended use of the net proceeds of the Offering, the Acquisitions and the Internalization, please refer to the Prospectus.

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.

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 PROREIT’s intended use of the net proceeds of the Offering, the ability of PROREIT to execute its growth strategies, the Acquisitions, including the Acquisitions’ impact on REIT unitholders, and the ability of the REIT to complete the Acquisitions, the intention of the REIT to complete the Internalization and the REIT’s proposed graduation to the TSX. 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 and in the Prospectus, both of which are available on SEDAR at www.sedar.com.

The Units have not and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. State securities laws and may not be offered or sold, directly or indirectly, within the United States or its territories or possessions or to or for the account of any U.S. person (as defined in Regulation S under the U.S. Securities Act) other than pursuant to an available exemption from the registration requirements of the U.S. Securities Act. This press release does not constitute an offer to sell or a solicitation of an offer to buy any such securities within the United States, or its territories or possessions, or to or for the account of any U.S. person

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