



PROREIT COMPLETES \$57.6 MILLION EQUITY OFFERING INCLUDING FULL EXERCISE OF OVER-ALLOTMENT OPTION

August 16, 2019 - Montréal, Québec - PRO Real Estate Investment Trust ("**PROREIT**" or the "**REIT**") (TSX: PRV.UN) is pleased to announce the closing of its previously announced public offering of trust units of the REIT (the "**Units**") on a bought deal basis (the "**Offering**"). Pursuant to the Offering, the REIT issued 8,222,500 Units at a price of \$7.00 per Unit for total gross proceeds of \$57,557,500, including 1,072,500 Units issued pursuant to the full exercise of the over-allotment option.

The Offering was conducted through a syndicate of underwriters including TD Securities Inc. and Scotiabank as joint bookrunners and Canaccord Genuity Corp., 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 prospectus supplement dated August 9, 2019 (the "**Prospectus Supplement**") to the REIT's base shelf prospectus dated July 5, 2019 (the "**Base Shelf Prospectus**"), filed with securities regulatory authorities in all provinces and territories of Canada. A copy of the Prospectus Supplement and the Base Shelf 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 August 7, 2019 that it had entered into three separate agreements to acquire seven properties for \$97.8 million (the "**Acquisitions**"), representing a total of 696,000 square feet of gross leasable area ("**GLA**"). The properties include a boutique office tower in the central business district in Ottawa and a Class-A mixed-used industrial property located in Kanata, Ontario, in addition to a 5-property light industrial portfolio in Halifax, Nova Scotia.

Upon completion of the Acquisitions, the REIT's portfolio will be comprised of 91 income producing commercial properties representing approximately 4.4 million square feet of GLA and \$625 million of gross book value¹ with a weighted average lease term of 5.7

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

years. The addition of these properties will improve portfolio balance by increasing PROREIT's portfolio exposure to the Ontario market and to the industrial and mixed-use asset classes. The Acquisitions are subject to customary due diligence and closing conditions, including with respect to financing and regulatory approvals, and are expected to close in the third quarter of 2019.

The completion of the Acquisitions together with the Offering and the repayment of certain indebtedness under the intended use of proceeds of the Offering is expected to be immediately accretive to AFFO per unit¹ and to reduce the REIT's AFFO payout ratio¹ and debt to gross book value¹.

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

The securities 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.

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 or AFFO, AFFO payout ratio, gross book value, and debt to 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 months ended June 30, 2019, available under PROREIT's profile 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 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.

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

Forward-looking statements contained in this press release include, without limitation, statements pertaining to the closing of the Acquisitions, the use of the net proceeds of the Offering, the impact of the Acquisitions on the REIT's future financial performance, the gross book value of the REIT following the closing of the transaction, the debt to gross book value of the REIT following the closing of the transaction, the impact of the transaction on the REIT's AFFO per unit and AFFO payout ratio, and the ability of the REIT to execute its growth strategy. PROREIT's objectives and forward-looking statements are based on certain assumptions, including management's perceptions of historical trends, current conditions and expected future developments.

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 Supplement, both of which are available under the REIT's profile on SEDAR at www.sedar.com.

About PROREIT

PROREIT (www.proreit.com) is an unincorporated open-ended real estate investment trust owning a diversified portfolio of 84 commercial properties across Canada representing over 3.7 million square feet of GLA, which following the completion of the Acquisitions will increase to 91 commercial properties representing over 4.4 million square feet of GLA. Established in March 2013, PROREIT is mainly focused on strong primary and secondary markets in Québec, Atlantic Canada and Ontario, with selective exposure in Western Canada.

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.

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