PROREIT REPORTS STRONG SECOND QUARTER 2019 RESULTS

- **49.4% year-over-year increase in property revenue from Q2 2018**
- **7.4% year-over-year increase in same property NOI[1] from Q2 2018**
- **Successful renewal of over 82% of leases maturing in 2019**
- **Agreements to acquire seven properties for $97.8 million and $50 million bought deal public offering announced subsequent to quarter end**

August 13, 2019 - Montréal, Québec - PRO Real Estate Investment Trust ("PROREIT" or the "REIT") (TSX: PRV.UN) today reported its financial and operating results for the three-month period (or "second quarter") ended June 30, 2019.

"PROREIT continues to build on its momentum, delivering robust financial and operational results in the second quarter of 2019 while continuing to create strong value for its unitholders," said Jim Beckerleg, President and CEO, PROREIT.

"We are executing our growth strategy and strategically diversifying our portfolio in strong primary and secondary markets. We are pleased with the planned acquisition of seven high-quality properties announced subsequent to quarter end, as these will further strengthen our portfolio bringing increased exposure in the Ottawa and Halifax markets, and adding to the industrial and mixed-used sectors," added Mr. Beckerleg.

"PROREIT also announced a $50 million equity financing on a bought-deal basis following quarter end, demonstrating our continued ability to effectively raise capital as well as the confidence investors place in our strategy and strong team," concluded Mr. Beckerleg.

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

TABLE 1- FINANCIAL HIGHLIGHTS

(CAD $ thousands except unit, per unit amounts and unless otherwise stated)	**3 Months Ended June 30 2019**	3 Months Ended June 30 2018	**6 Months Ended June 30 2019**	6 Months Ended June 30 2018
Financial data				
Property revenue	**$ 13,561**	$ 9,075	**$ 27,071**	$ 18,472
Net operating income (NOI) (1)	**$ 8,448**	$ 5,855	**$ 16,906**	$ 11,746
Total assets	**$ 524,217**	$ 415,268	**$ 524,217**	$ 415,268
Debt to Gross Book Value (1)	**58.26%**	60.11%	**58.26%**	60.11%
Interest Coverage Ratio (1)	**2.6x**	2.7x	**2.6x**	2.6x
Debt Service Coverage Ratio (1)	**1.6x**	1.6x	**1.6x**	1.6x
Weighted average interest rate on mortgage debt	**3.87%**	3.80%	**3.87%**	3.80%
Net cash flows provided from operating activities	**$ (382)**	$ 2,682	**$ 4,159**	$ 5,358
Funds from Operations (FFO) (1)(3)	**$ 1,509**	$ 2,522	**$ 5,869**	$ 4,991
Basic FFO per unit (1)(2)	**$ 0.0480**	$ 0.1021	**$ 0.1865**	$ 0.2081
Diluted FFO per unit (1)(2)	**$ 0.0467**	$ 0.0998	**$ 0.1818**	$ 0.2038
Adjusted Funds from Operations (AFFO) (1)	**$ 4,848**	$ 3,256	**$ 9,677**	$ 6,455
Basic AFFO per unit (1)(2)	**$ 0.1541**	$ 0.1318	**$ 0.3075**	$ 0.2691
Diluted AFFO per unit (1)(2)	**$ 0.1501**	$ 0.1289	**$ 0.2998**	$ 0.2636
AFFO Payout Ratio – Basic (1)	**102.2%**	119.6%	**102.4%**	117.1%
AFFO Payout Ratio – Diluted (1)	**104.9%**	122.1%	**105.1%**	119.5%

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

(2) Total basic units consist of Units (as defined herein) and Class B LP Units (as defined herein). Total diluted units also include deferred trust units and restricted trust units issued under the REIT's long-term incentive plan.

(3) Includes one-time transaction costs relating to management internalization and graduation to the TSX (as defined herein) of $3,045 and $3,076 respectively for the three and six months ended June 30, 2019.

PROREIT owned 84 investment properties at June 30, 2019, compared to 73 properties at the same time last year. Total assets amounted to $524.2 million at June 30, 2019, representing an increase of $108.9 million, or 26.2%, compared to $415.3 million at June 30, 2018. The increase is mainly due to the acquisition of 11 investment properties in the twelve-month period ended June 30, 2019.

For the second quarter ended June 30, 2019:

- Property revenue amounted to $13.6 million. The increase of $4.5 million, or 49.4%, compared to the same period last year, is primarily due to incremental revenues from the property acquisitions completed in the twelve-month period ended June 30, 2019.
- Same property net operating income[1] amounted to $6.0 million, an increase of $0.4 million, or 7.4%, compared to the same period last year. This increase is primarily driven by an approximately 100 basis points same property occupancy rate increase, property management synergies, and a higher rental rate on lease renewals compared to the same period in 2018.
- Net operating income[1] was $8.4 million, an increase of $2.6 million, or 44.3%, compared to $5.9 million for the same period last year. This increase results primarily from the favourable impact of property acquisitions completed in the twelve-month period ended

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

June 30, 2019.

- AFFO[1] totalled $4.8 million, a $1.5 million increase compared to $3.3 million last year, or a 48.9% increase year-over-year. This increase is mainly due to the property acquisitions completed in the twelve-month period ended June 30, 2019.
- AFFO payout ratio[1] stood at 102.2% compared to 119.6% for the same period last year, a 14.2% improvement. The favourable variance mainly relates to the impact of the funds raised in September 2018 from a public offering being fully deployed in the first quarter of 2019. The current participation level under the REIT's distribution reinvestment plan ("DRIP") is approximately 10%, which reduces the cash requirements of the REIT to pay distributions and is not reflected in the AFFO payout ratio.
- Total debt to gross book value[1] stood at 58.3% at June 30, 2019, compared to 60.1% at the same date in 2018. The weighted average interest rate on mortgage debt was 3.87% at the end of the second quarter, up slightly from 3.80% at June 30, 2018.

For the six-month period ended June 30, 2019:

- Property revenue amounted to $27.1 million. The increase of $8.6 million, or 46.6%, compared to the same period last year, is primarily due to incremental revenues from property acquisitions completed in the twelve-month period ended June 30, 2019.
- Same property net operating income[1] amounted to $12.1 million, an increase of $0.9 million, or 8.3%, compared to the same period last year. This increase is primarily driven by an approximately 100 basis points same property occupancy rate increase, property management synergies, and a higher rental rate on lease renewals compared to the same period in 2018.
- Net operating income[1] was $16.9 million, an increase of $5.2 million, or 43.9%, compared to $11.7 million for the same period last year. This increase results primarily from the favourable impact of property acquisitions completed in the twelve-month period ended June 30, 2019.
- AFFO[1] totalled $9.7 million, a $3.2 million increase compared to $6.5 million last year, or a 49.9% increase year-over-year. This increase is mainly due to property acquisitions completed in the twelve-month period ended June 30, 2019.
- AFFO payout ratio[1] stood at 102.4% compared to 117.1% for the same period last year, a 12.6% improvement. The favourable variance mainly relates to the impact of the funds raised in September 2018 from a public offering being fully deployed in the first quarter of 2019. The current participation level under the DRIP is approximately 10%, which reduces the cash requirements of the REIT to pay distributions and is not reflected in the AFFO payout ratio.

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[1] Non-IFRS measure. See ''Non-IFRS and Operational key Performance Indicators''.

TABLE 2- RECONCILIATION OF NET OPERATING INCOME TO NET COMPREHENSIVE INCOME

	3 Months Ended June 30 2019	3 Months Ended June 30 2018	**6 Months Ended June 30 2019**	6 Months Ended June 30 2018
Property revenue	**$ 13,561**	$ 9,075	**$ 27,071**	$ 18,472
Property operating expenses	**5,113**	3,220	**10,165**	6,726
Net operating income[1]	**8,448**	5,855	**16,906**	11,746
General and administrative expenses	**574**	472	**1,097**	874
Long-term incentive plan expense	**395**	383	**1,667**	373
Depreciation of property and equipment	**54**	10	**72**	21
Amortization of intangible assets	**93**	-	**186**	-
Interest and financing costs	**3,325**	2,096	**6,550**	4,269
Distributions - Class B LP Units	**419**	372	**848**	729
Fair value adjustment - Class B LP Units	**571**	459	**3,926**	(153)
Fair value adjustment - investment properties	**(6,777)**	444	**(6,728)**	1,942
Other income	**(819)**	-	**(1,345)**	-
Other expenses	**491**	-	**810**	-
Transaction costs	**3,045**	475	**3,076**	475
Debt settlement costs	**-**	-	**-**	719
Net comprehensive income	**$ 7,077**	$ 1,144	**$ 6,747**	$ 2,497

For the three months ended June 30, 2019, net comprehensive income amounted to $7.1 million, compared to $1.1 million for the same period last year. The $6.0 million increase mainly relates to the favourable impact of property acquisitions completed in the twelve-month period ended June 30, 2019, combined with $6.7 million in net property fair value adjustments, partially offset by one-time transaction costs of $3.0 million relating to the internalization of PROREIT's asset management function combined with the Toronto Stock Exchange ("TSX") graduation costs.

For the six months ended June 30, 2019, net comprehensive income amounted to $6.7 million, an increase of $4.2 million compared to $2.5 million for the same period last year, mainly as a result of the favourable impact of property acquisitions completed in the twelve-month period ended June 30, 2019, combined with $6.7 million in net million property fair value adjustments, partially offset by one-time transaction costs of $3.1 million relating to the internalization of PROREIT's asset management function combined with the TSX graduation costs.

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TABLE 3- TOTAL PORTFOLIO BASE RENT

BY ASSET CLASS

	June 30, 2019		June 30, 2018	
	Number of properties	**% Base Rent**	Number of properties	% Base Rent
Retail	**49**	46.3	**46**	53.5
Commercial Mixed Use	**7**	10.1	**7**	12.6
Office	**9**	16.1	**4**	7.4
Industrial	**19**	27.6	**16**	26.4
TOTAL	**84**	100.0	**73**	100.0

BY PROVINCE

	June 30, 2019		June 30, 2018	
	Number of properties	**% Base Rent**	Number of properties	% Base Rent
Maritime Provinces	**32**	43.7	**32**	52.1
Quebec	**16**	18.3	**12**	18.7
Western Canada	**26**	18.3	**26**	21.8
Ontario	**10**	19.7	**3**	7.5
TOTAL	**84**	100.0	**73**	100.0

Acquisitions made during the last twelve-month period contributed to the diversification of PROREIT's asset portfolio. PROREIT's industrial exposure rose to 27.6% while office exposure increased to 16.1% at the end of the second quarter of 2019. The acquisitions also increased exposure to the Ontario market to 19.7% at the end of the three-month period ended June 30, 2019.

TABLE 4- OPERATIONAL HIGHLIGHTS

	June 30 2019	June 30 2018
Operational data		
Number of properties	**84**	73
Gross leasable area (square feet)	**3,701,132**	3,039,510
Occupancy rate [(1)]	**97.9%**	97,6%
Weighted average lease term to maturity (years)	**5.7**	6.6

[(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, 2019 was approximately 8,787 square feet of GLA (98,408 square feet of GLA at June 30, 2018).

Gross leasable area ("GLA") increased 21.8% to 3,701,132 square feet at June 30, 2019, compared to 3,039,510 square feet at June 30, 2018. The increase of 661,622 square feet in GLA is a result of the acquisition of 11 investment properties in the twelve-month period ended June 30, 2019.

Occupancy rate remained firm at 97.9% as at June 30, 2019, compared to 97.6% a year earlier. The 10 largest tenants in PROREIT's portfolio accounted for approximately 36.0% of annualized in-place and committed base rent at June 30, 2019 and comprise approximately 7.5 years of remaining lease term, while credit quality tenants represent 51.1% of in-place annualized base rent.

Weighted average lease term to maturity stood at 5.7 years for the three months ended June 30, 2019, compared to 6.6 years for the same period in 2018. Over 82% of PROREIT's leases maturing in 2019 have been renewed as of June 30, 2019.

Internalization of Asset Management

On April 1, 2019 the REIT internalized its asset management function in accordance with the terms of a management agreement with the REIT's former external manager, Labec Realty Advisors Inc. (the "Manager"). The internalization resulted in the termination of the management agreement and the elimination of the asset management and acquisition fees payable to the Manager thereunder. As a result of the internalization, the REIT's executive officers, James W. Beckerleg and Gordon G. Lawlor, are employed directly by the REIT since April 1, 2019. In accordance with the terms of the management agreement, the Manager received upon completion of the internalization a termination payment of approximately $2.3 million, representing one time the management fees and expenses paid to it in the most recent fiscal year prior to the internalization.

TSX Graduation and Unit Consolidation

On May 7, 2019, the trust units of PROREIT ("Units") commenced trading on the TSX under the symbol "PRV.UN" at which time the Units were delisted from, and ceased trading on, the TSX Venture Exchange. In connection with the TSX listing, the Units and the special voting units of the REIT were consolidated on the basis of one post-consolidation unit for three pre-consolidation units and the Class B limited partnership units of PRO REIT Limited Partnership ("Class B LP Units"), a subsidiary of the REIT, and the units under the REIT's long term incentive plan were concurrently consolidated on the basis of the same consolidation ratio (the "Consolidation").

Distributions

Distributions to unitholders totaling $0.0525 per Unit (on a post-Consolidation basis) were declared during the three months ended June 30, 2019. As a result of the Consolidation, the monthly distributions of the REIT of $0.0175 per Unit on a pre-Consolidation basis were adjusted to $0.0525 per Unit on a post-Consolidation basis, representing annualized distributions of $0.63 per Unit on a post-Consolidation basis. Equivalent distributions are paid on the Class B LP Units.

Distributions on the Class B LP Units were $419 for the three-month period ended June 30, 2019. The increase is due to the increase in the number of Class B LP Units in 2019, compared to the same period in 2018.

On July 23, 2019, PROREIT announced a cash distribution of $0.0525 per Unit for the month of July 2019. The distribution is payable on August 15, 2019 to unitholders of record as at July 31, 2019.

SUBSEQUENT EVENTS

Strategic Acquisition of Seven Properties

On August 7, 2019, PROREIT announced that it had entered into three separate agreements to acquire seven properties, for $97.8 million, representing a total of 696,000 square feet of 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 five-property light industrial portfolio in Halifax, Nova Scotia. Upon completion of the acquisition of the seven properties, 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 value[1] with a weighted average lease term of 5.7 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.

$50-Million Bought Deal

On August 7, 2019, PROREIT announced that it had entered into an agreement to issue 7,150,000 Units from treasury on a bought-deal basis at a price of $7.00 per Unit for gross proceeds of approximately $50 million. The underwriters have elected to exercise their over-allotment option in full, which will increase the total gross proceeds to the REIT under the offering to approximately $57.6 million.

The offering is expected to close on August 16, 2019 and is subject to customary conditions. The REIT intends to use net proceeds from the offering to partially fund its announced acquisitions, 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.

The completion of the announced 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 unit[1] and to reduce the REIT's AFFO payout ratio[1].

STRATEGY AND OUTLOOK

Management currently expects the real estate market to remain strong and the low-interest rate context to be maintained. In this favorable environment, Management is actively seeking opportunities to continue to strategically grow and diversify its asset portfolio, while achieving additional economies of scale.

Investor Conference Call and Webcast Details

PROREIT will hold a conference call to discuss its second quarter 2019 results on August 14, 2019, at 11:00 a.m. EDT. There will be a question period reserved for financial analysts. To

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

access the conference call, please dial 888-390-0605 or 416-764-8609 or 514-225-7341. A recording of the call will be available from August 14 to November 14, 2019 by dialing 888-390-0541 or 416-764-8677, access code for participants 802290#. The conference call will also be accessible via live webcast on PROREIT's website at www.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 same property net operating income (or same property NOI), adjusted funds from operations or AFFO, AFFO payout ratio, net operating income or NOI, debt to gross book value, gross book value, interest coverage ratio, debt service coverage ratio, funds from operations or FFO. 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.

Forward-looking statements contained in this press release include, without limitation, statements pertaining to the closing of the REIT's announced public offering and proposed acquisitions, the use of the net proceeds of the offering, the impact of the announced acquisitions on the REIT's future financial performance, 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, the ability of the REIT to executive its growth strategy and the payment and level of future distributions. 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, which is available 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.

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 REIT's announced 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.

The securities offered under PROREIT's offering 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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