

PROREIT ANNOUNCES STRONG FIRST QUARTER 2015 FINANCIAL RESULTS

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May 28, 2015 - Montréal, Québec - PRO Real Estate Investment Trust (“**PROREIT**” or the “**REIT**”) (TSXV: PRV.UN) is pleased to report financial and operating results for the three-months ended March 31, 2015 (or “first quarter”). The first quarter was characterized by strong growth in property revenues, net operating income (“NOI”) and adjusted funds from operations (“AFFO”), and by strong operating performance.

“At PROREIT, our core strategic objective is accretive growth,” said James W. Beckerleg, President and Chief Executive Officer. “Our goal is to become a large capitalization real estate investment trust operating in retail, office and industrial properties in Canada. Our strong growth in the first quarter reflects the progress we have made toward these objectives.”

First quarter results are not completely comparable with the first quarter of 2014 because at the end of the first quarter 2014, the REIT only owned nine properties. However, from an external perspective, the REIT’s strong growth reflects PROREIT’s core objective of acquiring high quality, accretive growth properties.

Financial Highlights

(CAD \$ thousands except per unit amounts and unless otherwise stated)

	3 Months Ended March 31 2015	3 Months Ended March 31 2014
Property Revenue	\$3,900	\$1,872
Net Operating Income (NOI)⁽¹⁾	\$2,361	\$1,170
Total Assets	\$140,279	\$70,334
Debt to Gross Book Value⁽¹⁾	58.57%	58.53%
Weighted-average Interest Rate on Mortgage Debt	3.75%	4.14%
Adjusted Funds from Operations (AFFO)⁽¹⁾	\$1,330	\$601
Basic AFFO per Unit⁽¹⁾	\$0.0558	\$0.0574
AFFO Payout Ratio – Basic⁽¹⁾	94.1%	91.4%

Note (1): Non-IFRS Measure. See “Non-IFRS Measures”.

First Quarter 2015 Financial Results

Total assets doubled in the first quarter compared to the three months ended March 31, 2014 as a result of the \$65.6 million acquisition of fourteen properties early in the fourth quarter of fiscal 2014. The fourth-quarter acquisitions had a significant positive impact on first quarter results, compared to the first quarter of fiscal 2014.

For the three months ended March 31, 2015, PROREIT recorded property revenue of \$3.90 million, a 109% increase compared to \$1.87 million in the first quarter of 2014. NOI increased 102% to \$2.36 million in the first quarter compared to \$1.17 million in the first quarter of 2014. In the first quarter, the REIT generated AFFO of \$1.33 million or \$0.0558 of AFFO per basic unit, compared to \$601,000, or \$0.0574 per basic unit, in the first quarter of 2014.

For the three months ended March 31, 2015, the REIT declared three distributions totalling \$0.0525 per trust unit. The AFFO payout ratio in the first quarter was 94.1% on a basic weighted average of 23,847,742 units outstanding.

At March 31, 2015, the total assets of the REIT stood at \$140.28 million, an increase of 99.5% compared total assets of \$70.33 million at March 31, 2014. Total debt to gross book value was stable at 58.57%, compared to 58.53% at the end of the first quarter in 2014. Average interest rates declined during the year, with the weighted average interest rate on mortgage debt improving to 3.75% from 4.14%.

First Quarter 2015 Operating Results

PROREIT met all its operational targets in the first quarter, including an increase in the quality and diversity of its portfolio, higher occupancy rates and longer average lease terms. At the end of the first quarter, the REIT's occupancy rate stood at 92.9%, compared to 89.5% a year earlier, and the average lease term lengthened to 7.5 years from 6.7 years at March 31, 2014.

By the end of the first quarter, the REIT successfully leased more than 60% of the space coming due in 2015. This number increased to over 80% as at the date of this release and subsequent to year-end. The REIT entered into a new lease with a major retailer for a previously vacant 22,000 square foot premises in Woodstock, N.B. PROREIT is working diligently on additional leasing prospects and also on some additional development opportunities.

At March 31, 2015, gross leasable area ("GLA") stood at 1,014,561 square feet, an increase of 156% compared to March 31, 2014. At March 31, 2015 our total portfolio consisted of 22 properties, including three office properties representing 125,407 square feet of GLA, 12 retail properties representing 432,995 square feet of GLA, four industrial properties representing 231,627 square feet of GLA and three commercial mixed use properties representing 224,532 square feet of GLA. The properties are mostly situated in prime locations within their respective markets, along major traffic arteries and benefiting from high visibility and easy

access. The increasing quality and diversity of the portfolio are enabling us to attract new clients and retain existing tenants.

Subsequent Events

On May 19, 2015, PROREIT announced its intention to acquire a total of 7 commercial properties (the “Acquisitions”), the aggregate purchase price of which would be approximately \$40.5 million, excluding closing costs. The completion of the Acquisitions on the terms proposed will be significantly accretive to the REIT’s unitholders.

The purchase price of the Acquisitions is expected to be satisfied by a combination of the following funding sources: i) approximately \$12.5 million in cash; ii) the issuance to the vendors of certain Acquisitions of approximately 0.5 million Class B limited partnership units of PRO REIT Limited Partnership (“Class B LP Units”), a subsidiary of the REIT, at a price of \$2.30 per Class B LP Unit representing in aggregate approximately \$1.2 million; iii) the assumption of approximately \$6.0 million aggregate principal amount of existing mortgage debt; iv) approximately \$19.5 million aggregate principal amount of new mortgage financing; and v) the issuance of a vendor take-back mortgage in the aggregate amount of approximately \$1.3 million in respect of certain Acquisitions. The Acquisitions are subject to customary closing conditions, including with respect to financing and regulatory approvals.

In connection with the Acquisitions, the REIT also announced a new public offering of its trust units (the “Offering”). On May 19, 2015, PROREIT announced that it had entered into an agreement to sell to a syndicate of underwriters led by Canaccord Genuity Corp (the “Underwriters”), on a bought deal basis, 7,625,000 trust units at a price of \$2.30 per unit for gross proceeds to the REIT of approximately \$17.5 million. The REIT has also granted the Underwriters an over-allotment option to purchase up to an additional 1,143,750 trust units on the same terms and conditions, exercisable at any time, in whole or in part, up to 30 days after the closing of the Offering. The REIT intends to use the net proceeds from the Offering to partially fund the Acquisitions, to fund the partial redevelopment of an existing property of the REIT and the partial repayment of certain indebtedness of the REIT and for general trust and working capital purposes. The Offering is expected to close on or about June 9, 2015 and is subject to customary conditions, including regulatory approval.

“This financing was a transformational one for PROREIT as it was a “bought deal” transaction supported by a broad group of Canadian investment banks. Such transactions should enable PROREIT to gain more efficient access to capital markets in the future and is an affirmation of investor confidence in our REIT,” added Mr. Beckerleg.

A preliminary prospectus containing important information relating to the Offering has been filed with securities commissions or similar authorities in each province and territory of Canada. The preliminary prospectus is still subject to completion or amendment. Copies of the

preliminary prospectus may be obtained on SEDAR at www.sedar.com under PROREIT's profile. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been issued.

The securities offered 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.

Outlook

Management believes that the balance of 2015 will continue to be an affirming period for PROREIT.

The commercial real estate sector where PROREIT is active should continue to offer attractive acquisition opportunities, especially in the retail and industrial sectors currently targeted by the REIT, and that are performing well. In the current neutral interest rate environment, the commercial market should continue to thrive.

For PROREIT, these conditions underpin significant potential for new growth in the remainder of 2015. The REIT's focus continues to be the delivery of accretive growth through acquisitions, by expanding deeper into existing geographical markets where the REIT has a presence, and into adjacent markets. This strategy will capitalize on the REIT's market knowledge and help achieve economies of scale.

The proposed acquisitions announced on May 19 are good examples of management's ability to execute on this strategy. The acquisitions deepen PROREIT's presence in the Maritime Provinces, and also extends its portfolio footprint into the Greater Toronto Area for the first time.

"We are very pleased with the progress we made at PROREIT during the past quarter," added Mr. Beckerleg. "Our acquisitions, along with the support that we have received from investors, represent a strong affirmation that we are achieving our growth strategies and objectives, to the benefit of all unitholders."

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.

Non-IFRS Measures

The REIT'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, the REIT discloses and discusses certain non-IFRS financial measures, including AFFO, NOI and debt to gross book value 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. The REIT has presented such non-IFRS measures as Management believes they are relevant measures of the REIT'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 the REIT'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 Financial Measures" section in the REIT's Management's Discussion and Analysis for the three months ended March 31, 2015, available on SEDAR at www.sedar.com.

Forward-Looking Statements

This news release may contain 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 proposed Offering, the closing of the Acquisitions, the issuance of Class B LP Units to certain property vendors, and the execution of PROREIT's growth strategy. 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 PROREIT'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 the preliminary prospectus of the REIT dated May 25, 2015 and in PROREIT’s latest annual information form, which are available on SEDAR at www.sedar.com.

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

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