

# Built for Sustainable Growth and Performance

INVESTOR PRESENTATION / NOVEMBER 2023



# An Industrial-Focused, High-Quality Canadian REIT (TSX: PRV.UN)

As at September 30, 2023

**\$1.05B**

Total  
Assets

**6.4M**

Owned Gross  
Leasable Area  
(sq. ft.)

**10.8M**

Managed Gross  
Leasable Area  
(sq. ft.)

**81.3%**

Industrial Gross  
Leasable Area  
(sq. ft.)

**98.2%**

Occupancy  
Rate<sup>1</sup>

**4.0**

Weighted Average  
Lease Term  
(years)

**70.2%**

Industrial  
Net Operating  
Income<sup>4</sup>

**9.96%**

Distribution  
Yield<sup>2</sup>

**\$0.45**

Annual Cash  
Distribution/Unit  
(100% Tax Deferred-  
Estimated)

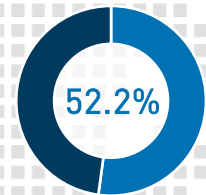
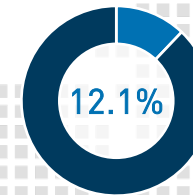
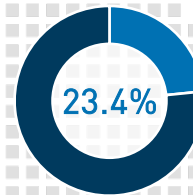
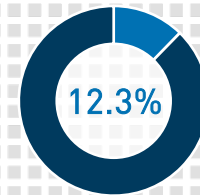
**126**  
Properties<sup>3</sup>  
Across Canada

Western Canada  
**26**

Ontario  
**13**

Quebec  
**12**

Atlantic Canada  
**75**



% Portfolio breakdown by Gross Leasable Area ("GLA")  
as at September 30, 2023.

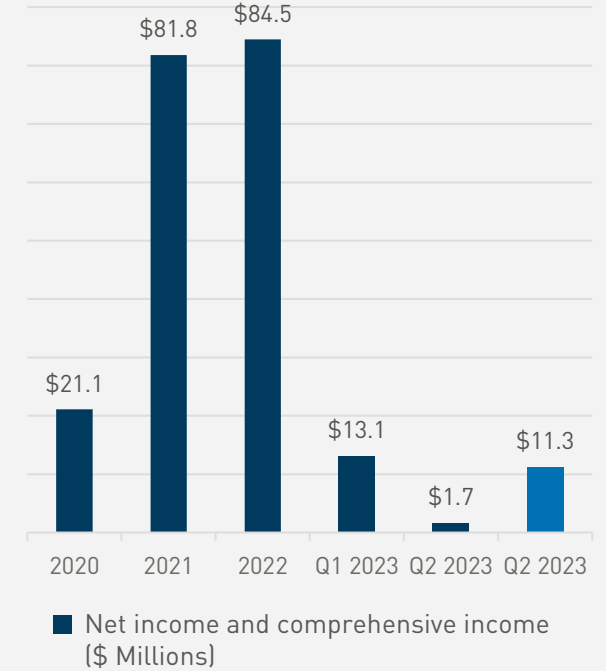
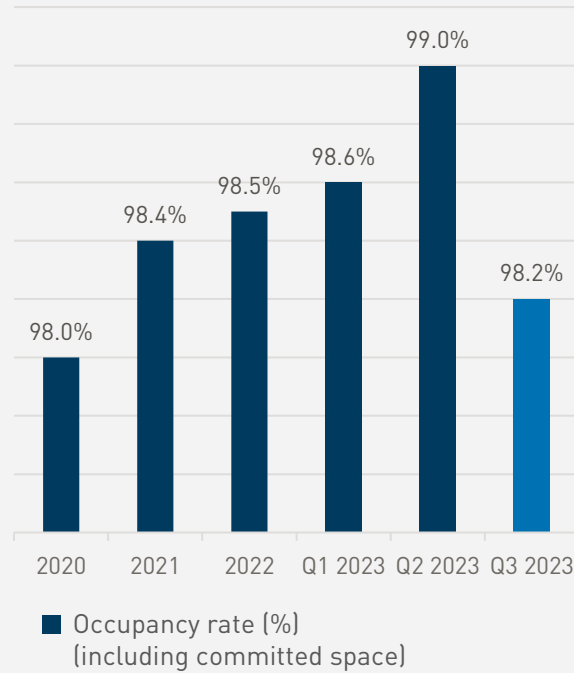
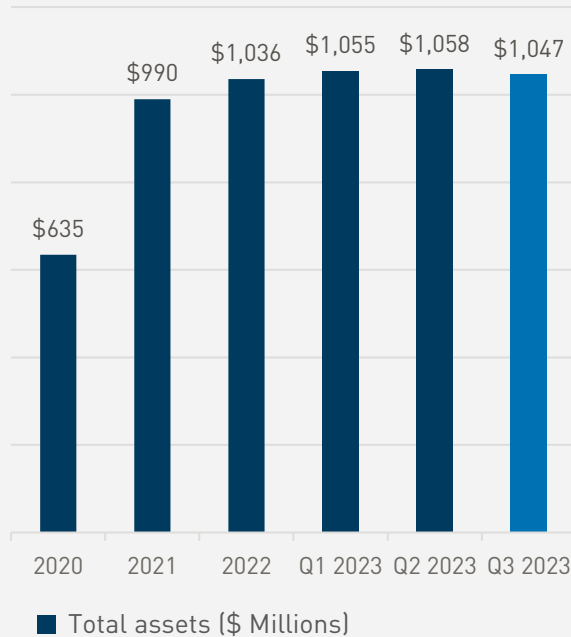
<sup>1</sup> Includes committed space of approximately 155,200 square feet, as at September 30, 2023. The occupancy at September 30, 2023 excludes a retail property and an industrial property totalling 84,000 square feet under redevelopment.

<sup>2</sup> Distribution yield is calculated as annual distribution per trust unit of \$0.45 divided by the closing trust unit price of \$4.52 as at November 7, 2023.

<sup>3</sup> Of 126 properties, 84 are 100% owned and 42 are 50% owned as at September 30, 2023.

<sup>4</sup> For the three month period ended September 30, 2023.

# Our Track Record





# Building Sustainable Value

## Our Mission

To invest in high-quality commercial real estate and manage properties to high standards, while contributing to the local communities in which we operate through our dedication to economic, social and environmental sustainability.

## Our Vision

To be a best-in-class pure-play Canadian industrial REIT driven by sustainable growth and value creation.

## Our Values



### Integrity

Operating our business in a responsible and ethical manner to build trust with our stakeholders



### Teamwork

Working effectively as one team to drive performance for both our tenants and investors



### Service Excellence

Delivering quality service to our tenants, while setting best-in-class standards within our industry



### Entrepreneurial

Growth driven with an institutional mindset, while maintaining an environment of respect, agility and accountability

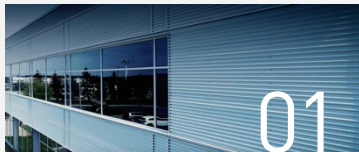


### Community

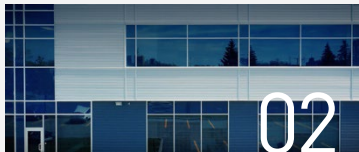
Support for the regions where we operate and work

# Our Competitive Advantages

---



Strategic positioning in the light industrial sector in Canada



Clear strategy for growth and value creation



Commitment to sustainable development



Financial discipline



Seasoned leadership with proven track record



# Strategic Positioning in the Light Industrial Sector in Canada

# 01

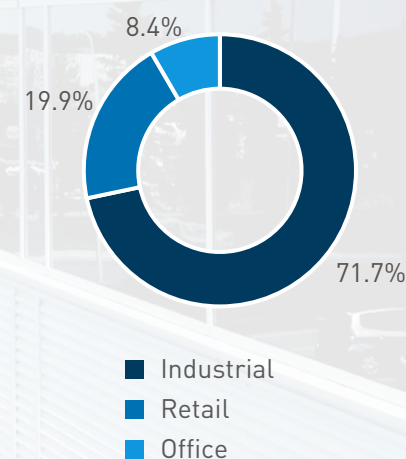


# Focused on the Light Industrial Sector in Canada

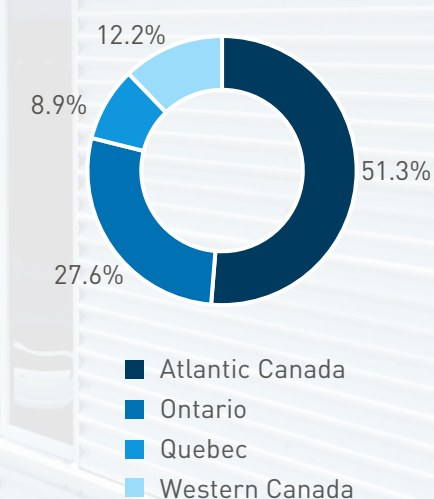
## Industrial Sector Advantages

- / Defensive asset class
- / Solid and stable fundamentals
  - Lower market rent volatility
  - Lower operating costs
  - High-value, generic-use space that is highly marketable
  - Broad and diverse tenant base
- / Lower capital expenditures, maintenance, leasehold improvement and tenant inducement costs

Base Rent by Asset Class  
As at September 30, 2023

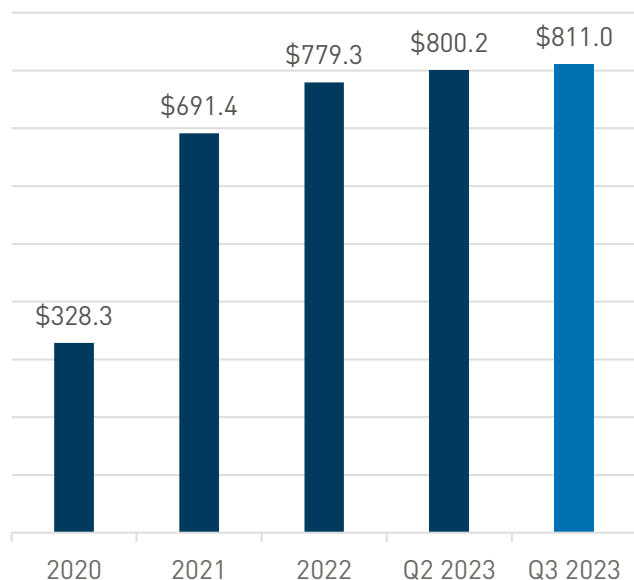


Base Rent by Region  
As at September 30, 2023

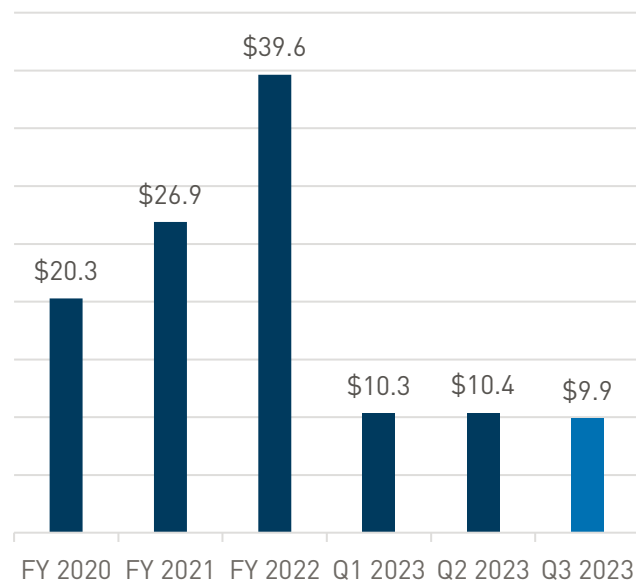


# Industrial Portfolio Growth

Fair Value of Industrial Investment Properties  
(\$ Millions)



Industrial Net Operating Income  
(\$ Millions)



As at September 30, 2023

86<sup>1</sup>  
Industrial  
Properties

5.22M  
GLA  
(sq. ft.)

98.4%  
Occupancy  
Rate<sup>2</sup>

4.0  
Weighted Average  
Lease Term  
(years)

<sup>1</sup> Of the 86 properties, 44 are 100 % owned and 42 are 50% owned.  
<sup>2</sup> Includes committed space of approximately 140,262 square feet,  
as at September 30, 2023.



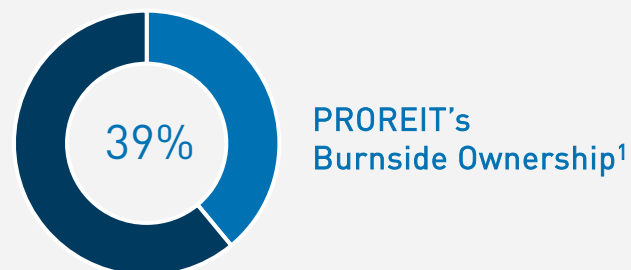
# Leading Position in the Halifax Industrial Market



## Halifax's Burnside Industrial Park Overview

Burnside is the largest industrial park north of Boston and east of Montreal, with almost 2,000 enterprises and approximately 30,000 employees.

One of Canada's strongest industrial nodes.

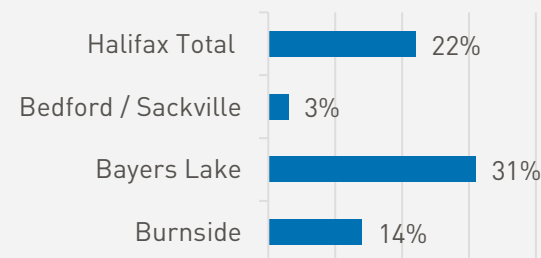


<sup>1</sup> All 41 properties in Burnside are owned jointly with Crestpoint, with each party holding 50%.

## Halifax's Market Overview

While investor demand for industrial properties continues to exceed expectations, the Halifax market has remained incredibly tight as a shortage of supply continues to push rental rates upward.

### Rental Rate Growth By Market | Q3 2022 – Q3 2023



Source: Colliers Halifax Industrial Market Report, Q3 2023.

9.3M  
Total Industrial  
GLA Inventory  
(sq. ft.)

3.19%  
Vacancy  
(Q3 2023)

↑ 22%  
Asking  
Gross Rent  
(year-over-year)

202,000  
Total industrial net  
Absorption (sq. ft.)  
(Q1 2023)

# Our Retail and Office Sectors

## Retail Portfolio:



- / High-quality community service centres
- / 68.9% of base rent from national grocery stores, pharmacies, financial institutions, government and medical offices
- / Operational attributes consistent with the light industrial sector

13.8%

Of Total  
Portfolio GLA

98.0%

Occupancy  
Rate<sup>1</sup>

4.4

Weighted Average  
Lease Term (years)

<sup>1</sup> Includes committed space of approximately 3,528 square feet, as at September 30, 2023.

## Office Portfolio:



- / Mainly suburban and mixed-use flex office buildings, outside large metropolitan areas
- / Low rise buildings less than 100,000 square feet
- / Capital recycling as no longer a focus area

4.9%

Of Total  
Portfolio GLA

94.7%

Occupancy  
Rate<sup>2</sup>

3.3

Weighted Average  
Lease Term (years)

<sup>2</sup> Includes committed space of approximately 11,410 square feet, as at September 30, 2023.



# A Fully Integrated Business Model Driving Synergies

Internalized wholly-owned property management division, Compass Commercial Realty, is a long-established group operating autonomously from Halifax (headquarters)

/ Offices in Halifax, Moncton, Montreal, Ottawa and Toronto

**\$1.67B**

Total Value of Managed  
Properties

**205**

Total Managed  
Properties

**72**

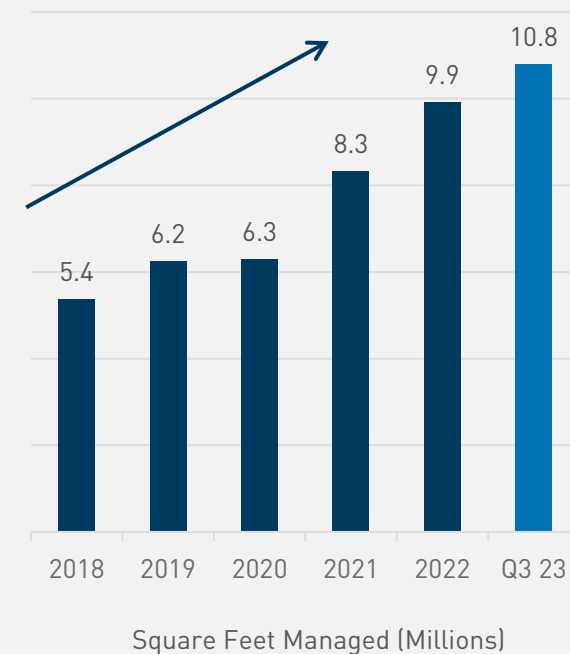
Compass  
Employees

**126**

PROREIT Managed  
Properties



## Increasing Our Reach in the Property Management Space

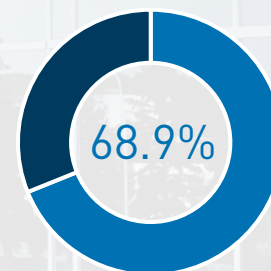


# Diversified and Strong Tenant Base

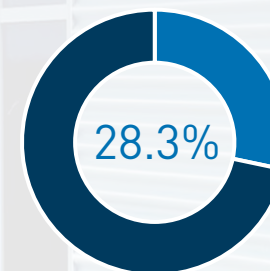
## Top 10 Tenants As at September 30, 2023



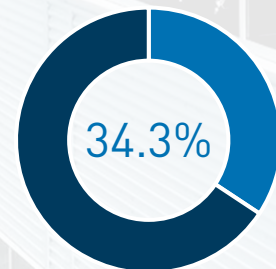
## High-Quality Base Rent As at September 30, 2023



Base Rent from  
National and  
Government  
Tenants



Base Rent  
Top 10  
Tenant  
Accounts



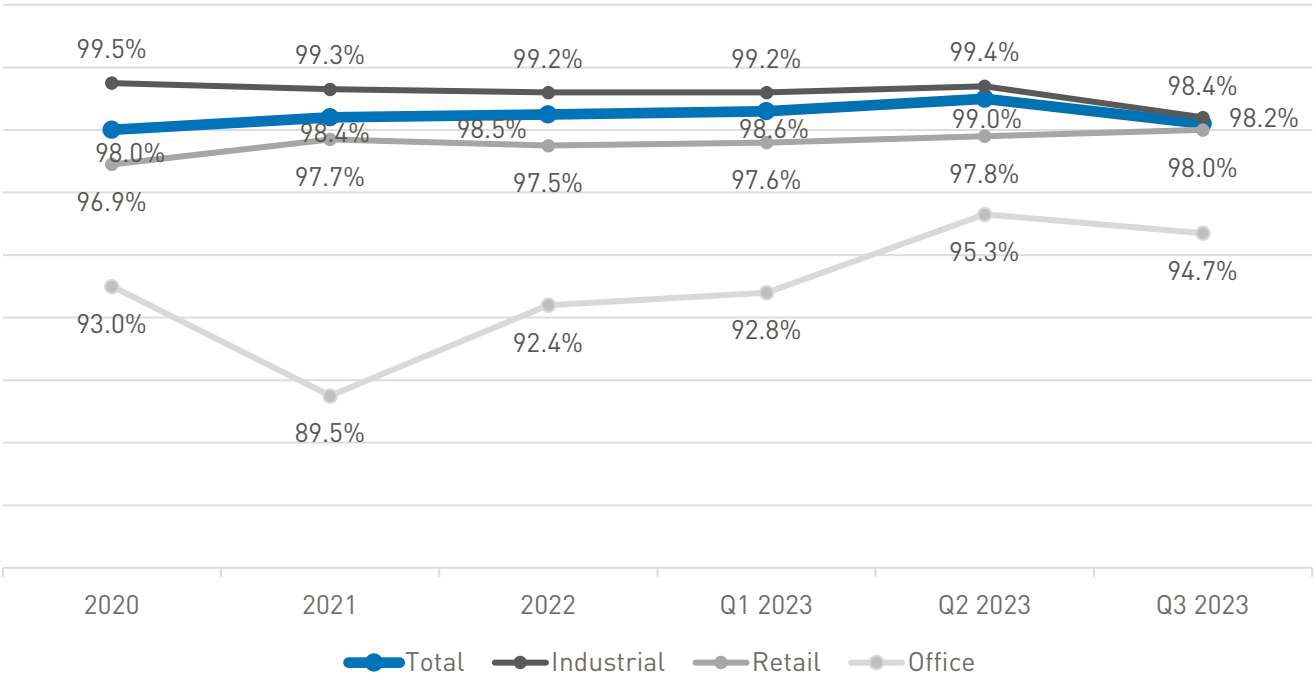
In-place Base  
Rent from  
Credit Quality  
Tenants  
Accounts



# A Resilient Portfolio in All Market Conditions



Occupancy Rate (Including Committed Space)



Low-risk portfolio  
consistently near 100%  
occupancy

# Clear Strategy for Growth and Value Creation

# 02



# Our Strategy to Generate Value

---

## Increase scale through organic and acquisitive growth

- / Build robust pipeline of accretive acquisitions
- / Leverage Crestpoint joint operation<sup>1</sup>
- / Pursue expansion and select modest redevelopment opportunities
- / Nurture existing tenant relationships, ensuring retention and growth
- / Capitalize on asset and property management synergies

## Focus on light industrial properties in Canada

- / Continue to focus on high-quality light industrial real estate
- / Select best locations close to major transportation links and high growth population centres
- / Focus on multi-purpose space with diversified tenants
- / Capture opportunities in attractive Canadian cities

## Optimize balance sheet and capital allocation

- / Grow AFFO per unit performance
- / Deploy capital with focus and discipline
- / Maintain consistent distributions

## Medium-Term Targets<sup>1</sup> (3-5 years) :

**\$2B**  
in Asset Value

**90%**  
Industrial Base Rent

<sup>1</sup> Medium-term targets are based on the REIT's current business plan and strategies and are not intended to be a forecast of future results. The medium-term targets contemplate the REIT's historical growth and certain assumptions including but not limited to (i) current global capital market conditions (ii) access to capital (iii) interest rate exposure (iv) availability of high-quality industrial properties for acquisitions (v) dispositions of retail and office properties and (vi) capacity to finance acquisitions on an accretive basis.

<sup>1</sup> Refer to slide 16 for details.

# Successful Joint Operation to Increase our Reach

---

**Joint operation with Crestpoint Real Estate Investments Ltd. completed on August 4, 2022 to jointly own 42 properties.**

---

- / Two-portion transaction, immediately accretive to earnings:
  - PROREIT and Crestpoint each acquired a 50% interest in 21 properties owned by a third party, for a total purchase price of \$228M
  - In conjunction with the acquisition, PROREIT sold a 50% interest in 21 of its owned properties to Crestpoint, having a total value of \$227M, for total consideration to PROREIT of \$113.5M
- / Significant market leasing upside embedded in portfolio

**PROREIT is sole property manager for entire portfolio and collects approx. \$1 million in property management and leasing fees annually.**

**42**  
Properties

**41**  
Properties in Halifax's  
Burnside Industrial Park

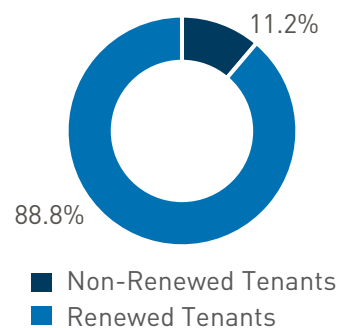
**1**  
Property in Moncton,  
New Brunswick

**3.1M**  
Total GLA (sq. ft.)



# Embedded Value in our Portfolio

## 2023 Renewals Renewed as of Q3 2023 [% GLA]



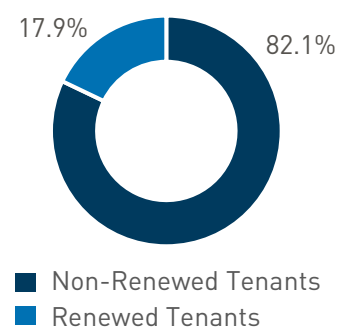
**43.9%**  
Year 1  
Average  
Net Increase

**5.2**  
Weighted  
Average Lease  
Term (years)

**90.2%**  
of 2023  
Renewable GLA  
is Industrial

**50.7%**  
Year 1 Average  
Net Increase  
for Industrial  
Tenants

## 2024 Renewals Renewed as of Q3 2023 [% GLA]



**29.7%**  
Year 1  
Average  
Net Increase

**4.3**  
Weighted  
Average Lease  
Term (years)

**77.3%**  
of 2024  
Renewable GLA  
is Industrial

**46.3%**  
Year 1 Average  
Net Increase  
for Industrial  
Tenants

Asset Class	Weighted Avg In-Place Net Rent	Estimated Market Net Rent <sup>1</sup>	Spread	Fair Value per sq. ft.
Industrial	\$8.21	\$11.61	42%	\$155
Retail	\$14.11	\$14.27	1%	\$171
Office	\$15.20	\$15.28	1%	\$186
<b>Leased Total</b>	<b>\$9.35</b>	<b>\$12.16</b>	<b>30%</b>	<b>\$159</b>

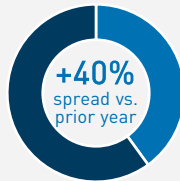
<sup>1</sup> Based on management's estimates derived from Q3 2023 Colliers, CBRE, Cushman & Wakefield and JLL reports as well as internal appraisal reports.



# Industrial Leasing Highlights



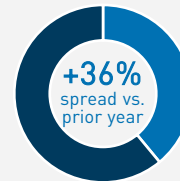
3200 Guénette Street,  
Ville St. Laurent, QC



66K sq. ft.  
New Lease



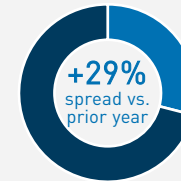
1500 Notre Dame Avenue,  
Winnipeg, MB



61K sq. ft.  
New Lease



159 Cleopatra Drive,  
Ottawa, ON



17K sq. ft.  
New Lease



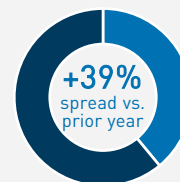
1400 Commerce Way,  
Woodstock, ON



66K sq. ft.  
Renewal



611 Ferdinand Boulevard  
Moncton, NB



63K sq. ft.  
Renewal



26-28 Topple Drive  
Dartmouth, NS

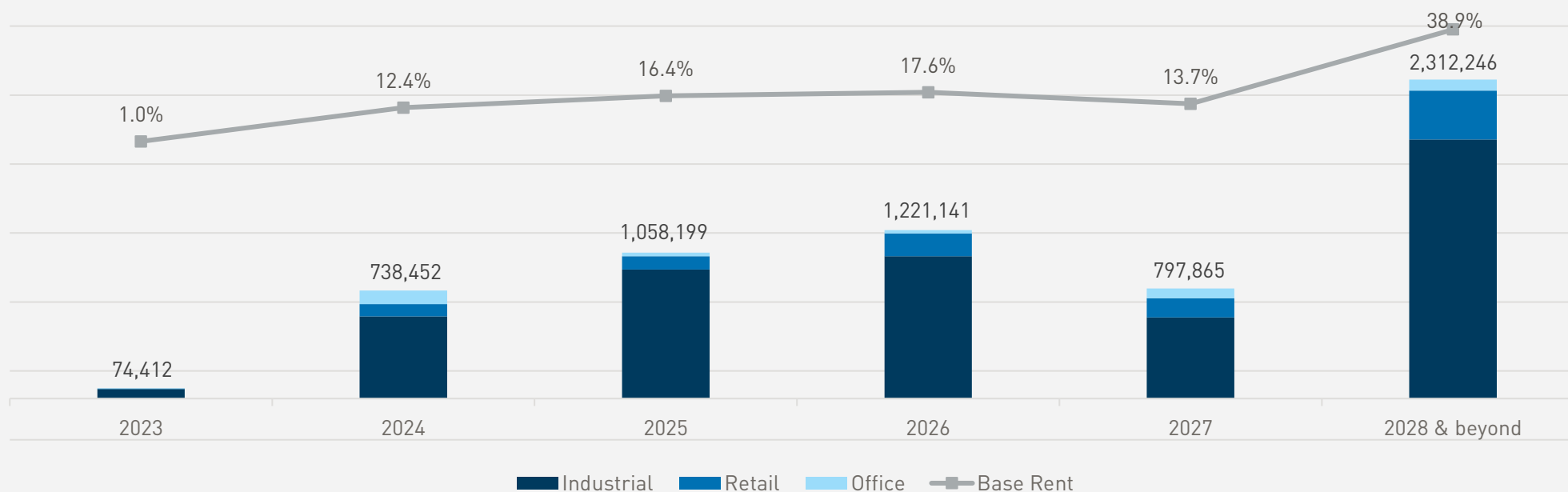


34K sq. ft.  
Renewal

# Well-staggered Lease Maturity Over Time by Asset Class



Staggered Lease Maturities (sq. ft.)





# Our Track Record of Disciplined Capital Allocation

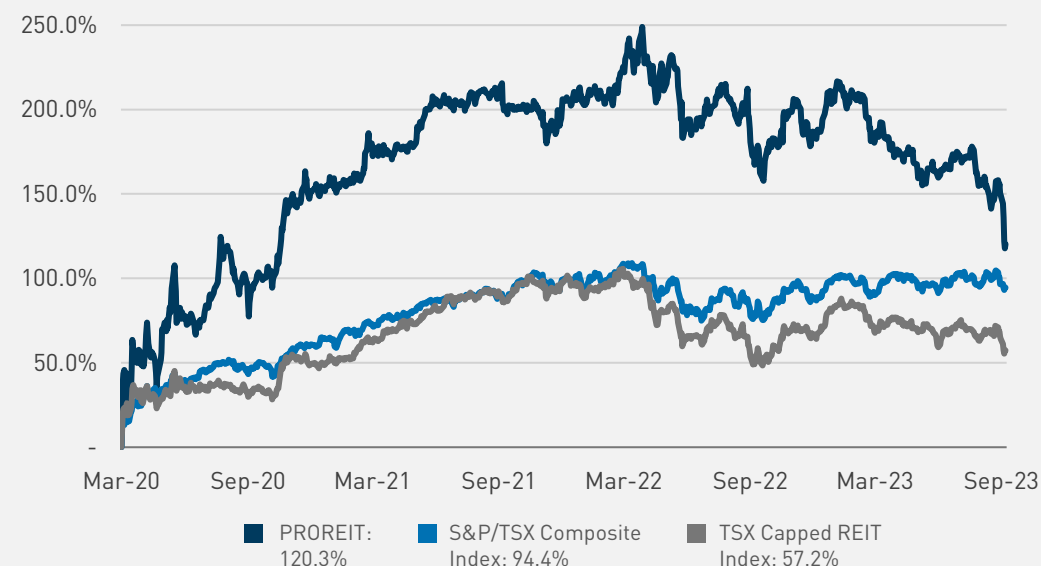
- / 157 acquisitions since inception
- / \$400M in new equity raised since inception
- / Distribution yield of 9.96%<sup>1</sup>
- / 3-year total return of 120.3%%<sup>2</sup>
- / Monthly distributions since 2014

<sup>1</sup> Distribution yield is calculated as annual distribution per trust unit of \$0.45 divided by the closing trust unit price of \$4.52 as at November 7, 2023.

<sup>2</sup> Source: Bloomberg, Market data from the period of March 23, 2020 to September 30, 2023. Total return assumes all distributions are reinvested into new REIT units.



## Total Return to Unitholders



Source: Bloomberg, Market data as at September 30, 2023.



# Commitment to Sustainable Development

---

# 03



# ESG Highlights (From 2022 ESG Report)

<b>Environmental</b>	<b>14</b> PROREIT-owned BOMA certified properties	<b>21%</b> Properties are tracked on ENERGY STAR® Portfolio Manager	<b>66%</b> Leases contain a sustainability clause	/ 54% of properties tracked for water usage, 28% of properties tracked for gas usage, 26% of properties tracked for waste management / Over 99% of portfolio is located in areas identified as low flood risk / 100% of properties subject to a thorough assessment of all environmental and capital item components prior to acquisition
<b>Social</b>	<b>40%</b> PROREIT's management is comprised of women	<b>63%</b> Employee participation in corporate volunteer program	<b>37</b> Community and industry initiatives supported through donations and sponsorships	/ Employee Assistance Program / Paid time off for volunteerism / Implemented charitable giving policy
<b>Governance</b>	<b>75%</b> Board comprised of independent Trustees and all board committees are chaired by an independent Trustee, except investment committee	<b>37.5%</b> Women representation on Board of Trustees	Implementation of comprehensive cybersecurity platform and measures	/ Board Diversity Policy / Code of Conduct applicable to all employees, management and Board / Whistleblower and Disclosure Policies / ESG Steering Committee responsible for daily management of ESG program / Ongoing cybersecurity awareness training / Annual review of long-term strategy to ensure ESG factors are considered

Full ESG report available on our website at: [Sustainability | PROREIT](#)

# Pursuing our ESG Journey

## Environmental

Set target for reduction in energy and waste consumption

**85%**  
Properties onboarded to ENERGY STAR® Portfolio Manager

**100%**  
Leases contain sustainability clauses

- / Better tracking enables goals to be set to reduce usage
- / Increasing electrical charging stations
- / Increasing LED lighting in all areas of buildings

## Social

**50%**  
Target for PROREIT's management to be comprised of women

**50%**  
Target representation by women across PROREIT

**Every 2 Years**  
Conduct and complete employee engagement survey

- / Increasing tracking of volunteer hours
- / Increasing tenant engagement initiatives
- / Continuing to prioritize health & safety to keep accidents and lost hours to a minimum

## Governance

**50%**  
Minimum of Board comprised of independent Trustees

**30%**  
Minimum of Board comprised of women

**100%**  
Target portion of employees to complete ethics and anticorruption training current: management completed

- / Continue to increase diversity on the board, among management and in the workplace
- / Continue to review and implement practices to support ESG journey, like the Sustainable Travel Policy

Full ESG report available on our website at: [Sustainability | PROREIT](#)





# Financial Discipline

# 04



# Q3-2023 Financial Highlights

(For the Nine Month Period)

---

**\$1.05B**  
Total  
Assets

**0.3%**  
Net Operating  
Income Decline  
(Driven by sales of  
non-core properties)

**\$46M**  
In Available  
Credit Facility

**\$26.1M**  
Net Income and  
Comprehensive  
Income

**2.8%**  
Same Property  
NOI Growth<sup>1, 2</sup>  
(Adjusted for Temporary  
Vacancy)

1 Same Property NOI is a non-IFRS financial measure. See Disclaimer - Non-IFRS Measures.

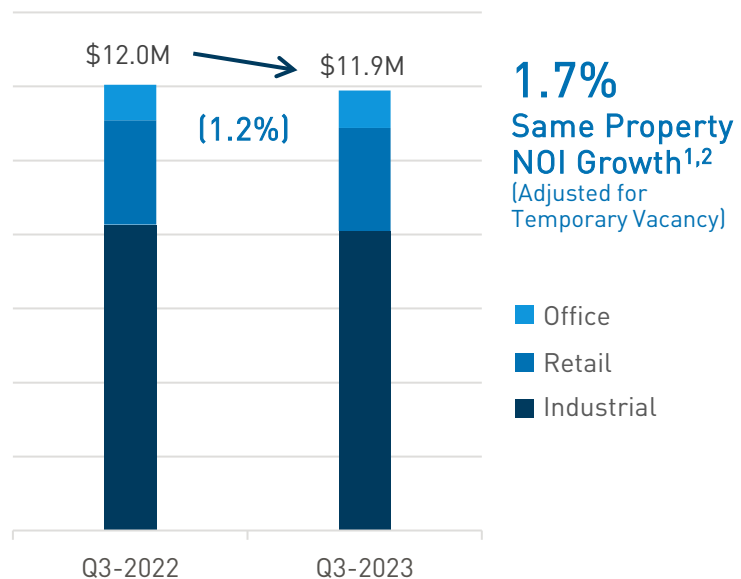
2 Excludes temporary vacancy, Same Property NOI up 0.7%.





# Q3-2023 Financial Highlights (For the Three Month Period)

## Same Property NOI<sup>1,2</sup>



1 Same Property NOI is a non-IFRS financial measure. See Disclaimer - Non-IFRS Measures.

2 Excludes temporary vacancy, same Property NOI down 1.2%

## Property Revenue

\$24.1M      \$24.1M

Q3-22      Q3-23

## Property Operating Expenses

\$9.3M

\$10.0M

Q3-22      Q3-23

## Net Operating Income

\$14.8M

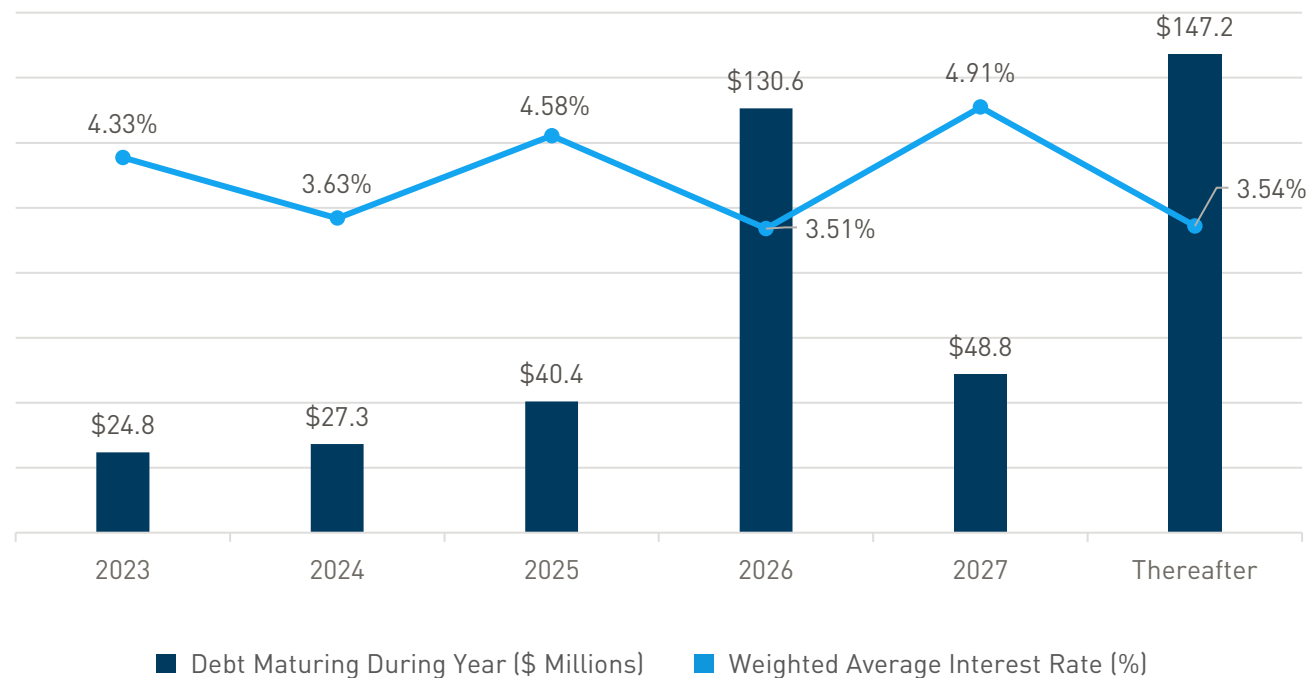
\$14.1M

Q3-22      Q3-23



# Actively Managed Capital Structure

## Properties Mortgage Maturities by Years



As at September 30, 2023

**3.76%**  
Current Weighted  
Average Mortgage  
Interest Rate

**4.0**  
Weighted Average  
Term to Maturity  
(in years)

**\$46M**  
In Available  
Credit Facility

1 See "Disclaimer – Non-IFRS measures".



# Seasoned Leadership with Proven Track Record

---

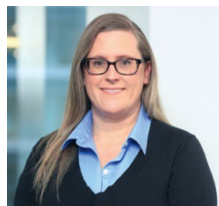
# 05

# Experienced and Aligned Management and Board

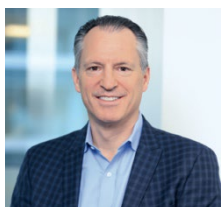
## Senior Management Team



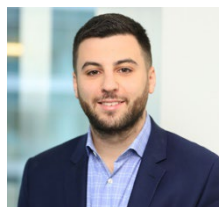
**Gordon G. Lawlor, CPA**  
Co-Founder, President and  
Chief Executive Officer



**Alison J. Schafer, CPA**  
Chief Financial Officer and  
Secretary



**Chris Andrea**  
President  
Compass Commercial Realty  
Senior Vice President,  
Property Management PROREIT



**Zachary Aaron**  
Director, Investments and  
Asset Management

Deep industry  
knowledge and  
expertise in real  
estate, property  
management, M&A



**Isabelle Monté**  
Senior Manager,  
Human Resources and  
Administration

Alignment with unitholders: officers and trustees own or control 3% of outstanding units.



## Board of Trustees

**James W. Beckerleg**  
Trustee, Chair of the Board and Co-Founder

**Vincent Chiara**  
Independent Trustee

**Martin Côté**  
Independent Trustee

**Shenoor Jadavji**  
Independent Trustee

**Gordon G. Lawlor, CPA**  
Trustee, President & CEO and Co-Founder

**Christine Pound, ICD.D**  
Independent Trustee

**Deborah Shaffner**  
Independent Trustee

**Ronald E. Smith, FCPA, FCA, ICD.D**  
Independent Trustee



# History of Executing on Our Strategy



**\$6M**

Total Assets

**2013** →

**1 property**

PROREIT  
founded and  
listed  
TSX-V:PRO.UN

**2017** →

**66 properties**

**2018** →

**84 properties**

\$69.1M in  
new equity  
capital raised  
Acquisition  
of property  
management  
platform

**2019** →

**92 properties**

7 properties  
acquired  
\$57.6M equity  
offering  
Internalization  
of asset  
management  
Graduation  
to TSX

**\$635M**

Total Assets

**2020** →

**91 properties**

**2021** →

**120 properties**

34 acquired  
industrial  
properties  
\$50M private  
placement  
\$83M equity  
raise  
\$71.4M new  
mortgage  
financing

**2022** →

**130 properties**

\$1B asset value  
130 properties,  
6.5M sq. ft. GLA  
Joint operation  
agreement with  
Crestpoint  
Publication of  
first ESG report

**\$1.05B**

Total Assets

**2023**

**126 properties**

10-year  
anniversary  
New CEO  
Publication of  
2022 ESG  
Report  
\$35M issuance  
of unsecured  
subordinated  
debentures

# Why Invest in PROREIT?

## Industrial-focused portfolio in attractive cities across Canada

- / Low-risk portfolio with fully-internalized asset and property management
- / Consistently high occupancy rate and same property growth
- / Significant value embedded in portfolio

## Clear strategy for growth and value creation

- / Increase scale – target to reach \$2B in asset value in medium term<sup>1</sup>
- / Focus on high-quality, well-located light industrial properties – target industrial base rent of 90%<sup>1</sup>
- / Optimize balance sheet and capital allocation
- / Consistent distributions

## Committed to sustainable development

- / 14 PROREIT-owned properties are BOMA certified
- / All acquisition targets subject to thorough assessment of all environmental and capital item components
- / ESG Steering Committee responsible for daily management of ESG Program

## Financial discipline

- / Stable cashflows with ample liquidity (cash and undrawn portion of credit facility)
- / Ten years of asset growth while focused on debt reduction
- / Sound and flexible capital structure, with access to multiple sources of capital

## Seasoned leadership with proven track record

- / Diversified and independent board
- / Deep industry knowledge and expertise in real estate, property management, M&A
- / Ability to identify and build stable, high-quality, low-risk portfolio
- / Disciplined pursuit of organic and acquisition growth opportunities, as well as strategic partnerships

<sup>1</sup> Medium-term targets are based on the REIT's current business plan and strategies and are not intended to be a forecast of future results. The medium-term targets contemplate the REIT's historical growth and certain assumptions including but not limited to (i) current global capital market conditions (ii) access to capital (iii) interest rate exposure (iv) availability of high-quality industrial properties for acquisitions (v) dispositions of retail and office properties and (vi) capacity to finance acquisitions on an accretive basis.

# Disclaimer

## About this Presentation

This presentation is dated November 8, 2023 and is strictly intended to provide general information about PRO Real Estate Investment Trust ("PROREIT") and its business. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities of PROREIT. The information in this presentation is stated as at September 30, 2023, unless otherwise indicated.

## Non-IFRS Measures

PROREIT's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this presentation, as a complement to results provided in accordance with IFRS, PROREIT discloses and discusses certain non-IFRS financial measures, non-IFRS ratios and other specified financial measures (collectively, "**non-IFRS measures**"), including Same Property NOI. These non-IFRS measures are not defined by IFRS and do not have a standardized meaning under IFRS. PROREIT's method of calculating these non-IFRS measures may differ from other issuers 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 and financial performance. For (i) information on the most directly comparable measure that is disclosed in the primary financial statements of PROREIT, as applicable, (ii) an explanation of the composition of the non-IFRS measures, (iii) a description of how PROREIT uses these measures, (iv) an explanation of how these measures provide useful information to management and investors, and (v) a reconciliation of the non-IFRS measures, as applicable, refer to the "Non-IFRS Measures" section of PROREIT's management's discussion and analysis for the three and nine months ended September 30, 2023, dated November 9, 2023 (the "**Q3 2023 MD&A**"), available on PROREIT's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca), which is incorporated by reference into this presentation. Non-IFRS measures should not be considered as alternatives to net income, cash flows provided by operating activities, cash and cash equivalents, total assets, total equity, or comparable metrics determined in accordance with IFRS as indicators of PROREIT's performance, liquidity, cash flow and profitability.

## Forward-Looking Information

This presentation contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities legislation, including statements relating to certain expectations, projections, growth plans and other information related to PROREIT's business strategy and future plans. 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 presentation include, without limitation, statements pertaining to the execution by PROREIT of its growth strategy and the future financial and operating performance of PROREIT. 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 the 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 presentation are expressly qualified in their entirety by this cautionary statement. All forward-looking statements in this presentation are made as of the date of this presentation. 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 "Risk and Uncertainties" in PROREIT's Q3 2023 MD&A, which are available under PROREIT's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## Additional Information

Information appearing in this presentation is a select summary of PROREIT's business, operations and results. The latest annual information form of PROREIT and its consolidated financial statements and management's discussion and analysis thereon for the quarter ended September 30, 2023 are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).