Pro Real Estate Investment Trust (PROREIT)

PROREIT announces financial results for third quarter ended September 30, 2014

PRO Real Estate Investment Trust is pleased to report financial and operating results for the third quarter and nine-months ended September 30, 2014.

James Beckerleg, President and CEO stated: "During the quarter, the PROREIT team announced the acquisition of fourteen properties. These accretive acquisitions, which closed subsequent to the end of the quarter, more than double our assets, cash flows and gross leasable area, and further diversify our property and tenant profiles to the benefit of all unitholders."

"We are very pleased with the progress we have made at PROREIT during the past quarter. Our recent acquisitions and the closing of a successful equity offering to finance them, represent a strong affirmation that we are achieving our growth strategies and objectives," he added.
PROREIT's strategic objectives include providing unitholders with stable and growing cash distributions, expanding the asset base of the REIT and enhancing the value of its assets, and increasing the REIT's net operating income and AFFO per unit, through internal growth strategies and accretive acquisitions.

Financial Results
For the quarter ended September 30, 2014, PROREIT recorded property revenue of $1.877 million and net operating income ("NOI") of $1.209 million. The REIT generated adjusted funds from operations ("AFFO") of $575 thousand or $0.0542 of AFFO per basic unit. During the quarter, the REIT declared distributions of $0.0525 per trust unit of the REIT (the "Units") and Class B limited partnership unit of PRO REIT Limited Partnership (the "Class B LP Units"), a subsidiary of the REIT. On a basic per unit basis, the AFFO payout ratio was 96.8% on 10,613,597 weighted average number of units outstanding. Net comprehensive income for the third quarter was $9 thousand.

For the nine months ended September 30, 2014, the REIT recorded property revenue of $5.760 million and NOI of $3.569 million. The REIT generated AFFO of $1.752 million or $0.1665 of AFFO per basic unit. For the nine months, the REIT declared distributions of $0.1575 per Unit and Class B LP Unit. On a basic per unit basis, the AFFO payout ratio was 94.6% on 10,520,429 weighted average number of units outstanding. Net comprehensive income for the nine months was $1.089 million.

At September 30, 2014 the REIT's portfolio consisted of 9 buildings with 396,737 square feet of gross leasable area ("GLA") in three operating segments: Retail, Office and Commercial Mixed Use.

(Results from operations for the three-months ended September 30, 2014 are not meaningful when compared with the same quarter in the previous year. As such, only the third quarter results are presented in this news release. Full comparable results appear in the Management's Discussion and Analysis of Results for the Third Quarter and Nine Months ended September 30, 2014, which is available on SEDAR at www.sedar.com.)

Accretive Acquisitions and Related Financing
On September 8, 2014, the REIT announced its intention to acquire 14 accretive commercial properties for $65.6 million, along with a related equity offering to finance the acquisitions. The REIT also announced a new strategic relationship with the Lotus Crux group.
The equity offering closed successfully on September 30, 2014, raising aggregate gross proceeds of $26.4 million (including a $5 million private placement to Lotus Crux), plus a subsequent $4.3 million in Class B LP Units to certain property vendors in partial consideration for the sale of their properties. In total, the financing raised $30.7 million in new equity to the REIT. The offered units, which were priced at $2.30 per unit, consisted of one Unit of PROREIT and one-half of one warrant to acquire one Unit at an exercise price of $2.65 per Unit for a period of thirty months following the closing of the offering.

Stable, Diverse Portfolio
On October 20, 2014, subsequent to the end of the quarter, the REIT announced the completion of its $65.6 million accretive acquisition program, consisting of 14 properties acquired from eight separate and unrelated vendors.

The PROREIT portfolio now consists of three office properties representing 125,407 square feet of GLA, 12 retail properties representing 432,995 square feet of GLA, five industrial properties representing 261,161 square feet of GLA and three commercial mixed use properties representing 224,532 square feet of GLA, for total GLA of 1,044,095 square feet.

The properties are mostly situated in prime locations within their respective markets along major traffic arteries benefiting from high visibility and easy access. The quality and diversity of the portfolio will enable the REIT to attract new tenants and retain existing tenants, providing a strong base on which to generate stable and

growing cash flows, in line with its objectives.

Outlook

Management focus at PROREIT includes the delivery of growth through acquisitions, by expanding deeper into existing geographical markets where the REIT has a presence, and expanding into adjacent markets. This strategy will capitalize on the REIT's existing market knowledge and help achieve economies of scale.

About PROREIT

PROREIT (www.proreit.com) 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. The current portfolio is comprised of 23 properties with approximately 1 million square feet of commercial gross leasable area. PROREIT's portfolio is diversified by property type and geography across Québec, New Brunswick, Nova Scotia and Alberta.

Non-IFRS Measures

The REIT's condensed 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 and NOI 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 Measures" in the REIT's Management's Discussion and Analysis for the three and nine months ended September 30, 2014, available on SEDAR at www.sedar.com.

Forward-Looking Information

This news release may contain forward-looking information within the meaning of applicable securities legislation. Forward-looking information is 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 information. Forward-looking information contained in this press release includes, without limitation, statements pertaining to the execution of the REIT's 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 information contained in this news release is expressly qualified in its entirety by this cautionary statement and the "Forward-Looking Statements" section contained in the REIT's latest annual information form, available on SEDAR at www.sedar.com (the "AIF"). 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 statements 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 in the AIF under "Risk Factors".

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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