

PROREIT Provides Operational and Financial Update

- \$46.6 million ten-year mortgage refinancing
- \$13.0 million in proceeds from sale of two properties
- 99.8% of rent collected in January and February 2021
- 76% of 604,134 square feet maturing in 2021 renewed to date
- \$35 million in operating liquidity

MONTREAL, March 4, 2021 /CNW Telbec/ - PRO Real Estate Investment Trust ("PROREIT" or the "REIT") (TSX: PRV.UN) today announced new mortgage financing, the sale of two properties and provided an update on rent collections, lease renewals and operating liquidity.

"We have started 2021 on solid footing, with collection rates of 100% for our industrial, mixed-used commercial and office portfolios in both January and February. Our retail assets, dominated by grocery and pharmacy-anchored tenants, are also performing extremely well with 99.5% of rents collected since the beginning of the year, a testament to the sustained strong demand for essential real estate. With 13% of our total GLA maturing this year, we are also very pleased to have already successfully renewed 76% of our total square feet maturing in 2021. We are gratified to have secured renewals at positive spreads to existing leases which will generate increased income as current leases mature," said James Beckerleg, President and CEO, PROREIT.

"A robust balance sheet and liquidity position also remain top priorities for PROREIT, and we further enhanced our position with attractive new mortgage refinancing in February 2021 as well as the successful sale of two non-core properties in the Montreal suburban region in the past months. Our business outlook is turning more positive, and we are confident we are well-positioned to take advantage of some new growth opportunities as they arise in future," concluded James Beckerleg.

New Mortgage Refinancing

On February 26, 2021, PROREIT received \$46.6 million in new mortgage financing with an extended ten-year repayment term at a rate of 3.21%, which is secured by five industrial assets. The mortgage's weighted average coupon was successfully reduced by approximately 50 basis points; and yield maintenance fees totalled \$1.3 million. Proceeds were used to repay approximately \$29.0 million of mortgages maturing in 2021 and 2022, while the remaining net \$16.3 million will be used to reduce operating facilities and be available for general corporate purposes.

Asset Dispositions

On December 17, 2020, PROREIT sold a non-strategic office building located at 325 Hymus Boulevard, in the greater Montreal area, for gross proceeds of \$5.0 million, approximately 6% higher than its IFRS carrying value. The sale was the result of an unsolicited offer for the property, and proceeds were used to reduce debt, more specifically operating facilities, as well as for general corporate purposes.

On February 18, 2021, PROREIT sold a further non-strategic light industrial building located at 26 Hymus Boulevard, in the greater Montreal area, for gross proceeds of \$8.0 million, approximately 16% higher than its IFRS carrying value. The sale was also the result of an unsolicited offer for the property, and proceeds were used to repay the property mortgage and for general corporate purposes.

Operating Liquidity and Balance Sheet

Following the mortgage refinancing and asset sales, PROREIT has increased its operating liquidity to approximately \$35 million of availability through cash on hand and undrawn operating facilities. The transactions are expected to improve PROREIT's debt to gross book value ratio.

Rent Collection Update

	February 2021	January 2021
Gross rent collections, including government and other tenants who typically pay at the end of the month, based on historical collection cycles	99.8%	99.8%
Breakdown:		
Industrial tenants	100.0%	100.0%
Mixed-use commercial tenants	100.0%	100.0%

Office tenants	100.0%	100.0%
Retail tenants	99.5%	99.5%
Temporary rent deferral agreements under fixed repayment terms	0%	0%
Gross rent in arrears and discussions with tenants ongoing and managed on a case-by-case basis	0.2%	0.2%

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 execution by PROREIT of its growth strategy, the intended use of proceeds, the future economic activity and the future 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 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 "Risk and Uncertainties" in PROREIT's management's discussion and analysis for the nine months ended September 30, 2020, which are available under PROREIT'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 90 commercial properties across Canada representing over 4.5 million square feet of gross leasable area. 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.

SOURCE PROREIT

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