

## **PROREIT COMPLETES \$35 MILLION BOUGHT DEAL PUBLIC OFFERING OF CONVERTIBLE DEBENTURES**

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MONTREAL, May 26, 2023 /CNW/ - PRO Real Estate Investment Trust ("PROREIT" or the "REIT") (TSX: PRV.UN) announced today that it has completed its previously announced bought deal public offering of \$35 million aggregate principal amount of 8.00% convertible unsecured subordinated debentures (the "Debentures") due June 30, 2028 at a price of \$1,000 per Debenture (the "Offering").

The Offering was conducted through a syndicate of underwriters co-led by TD Securities Inc. and Scotiabank, as joint bookrunners, and including BMO Nesbitt Burns Inc., Canaccord Genuity Corp., CIBC World Markets Inc., National Bank Financial Inc., RBC Dominion Securities Inc., iA Private Wealth Inc., Raymond James Ltd., Haywood Securities Inc., Laurentian Bank Securities Inc. and Leede Jones Gable Inc. The REIT has also granted to the underwriters an over-allotment option to purchase up to an additional \$5,250,000 aggregate principal amount of Debentures at the same price, exercisable in whole or in part at any time for a period of up to 30 days following closing of the Offering.

PROREIT will use the net proceeds of the Offering to partially repay existing debt currently drawn on the REIT's operating facility and for general business and working capital purposes. The Offering and the stated use of proceeds are not expected to impact the REIT's leverage metrics, however, they are expected to improve the REIT's debt maturity profile, increase its exposure to fixed rate debt, and enhance the REIT's liquidity.

The Debentures will mature on June 30, 2028 and will accrue interest at the rate of 8.00% per annum payable semi-annually in arrears on June 30 and December 31 in each year, commencing December 31, 2023. At the holder's option, the Debentures may be converted into trust units of the REIT ("Units") at any time prior to the close of business on the earlier of the business day immediately preceding the maturity date and the business day immediately preceding the date fixed for redemption of the Debentures, at a conversion price of \$7.00 for each Unit, subject to adjustment in certain circumstances.

The Debentures are direct, unsecured obligations of PROREIT, subordinated to other senior indebtedness of PROREIT.

The Debentures are not redeemable before June 30, 2026. On and after June 30, 2026 and prior to June 30, 2027, the Debentures may be redeemed, in whole or in part, from time to time at PROREIT's option at par plus accrued and unpaid interest, provided that the weighted average trading price of the Units on the Toronto Stock Exchange ("TSX") during the 20 consecutive trading days ending on the fifth trading day preceding the date on which notice of the redemption is given is not less than 125% of the conversion price. On and after June 30, 2027, PROREIT may, at its option, redeem the Debentures, in whole or in part, from time to time at par plus accrued and unpaid interest.

Subject to specified conditions, PROREIT has the right to repay the outstanding principal amount of the Debentures, on maturity or redemption, through the issuance of Units. PROREIT also has the option to satisfy its obligation to pay interest through the issuance and sale of Units.

The Debentures issued under the Offering were issued pursuant to a prospectus supplement dated May 19, 2023 (the "Prospectus Supplement") to the REIT's base shelf prospectus dated July 13, 2021 (the "Base Shelf Prospectus"), filed with securities regulatory authorities in all provinces and territories of Canada. A copy of the Prospectus Supplement and the Base Shelf Prospectus is available under the REIT's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The securities being offered have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States unless an exemption from registration is available. This news release is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities of PROREIT in any jurisdiction. No securities regulatory authority has either approved or disapproved of the contents of this news release.

### **About PRO Real Estate Investment Trust**

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. Founded in 2013, PROREIT owns a portfolio of high-quality commercial real estate properties in Canada, with a strong industrial focus in robust secondary markets.

For more information on PROREIT, please visit the REIT's website at: <https://proreit.com>.

## **Forward-Looking Information**

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 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 include, without limitation, statements pertaining to the use of the net proceeds of the Offering. 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 news release are made as of the date of this news 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.

Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by management as of the date hereof, are inherently subject to significant business, economic and competitive uncertainties and contingencies. When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. A number of factors could cause actual results to differ, possibly materially, from the results discussed in the forward-looking statements. Additional information about these assumptions and risks and uncertainties is contained in the filings of the REIT with securities regulators, including under "Risk Factors" in PROREIT's latest annual information form and in the Prospectus Supplement, which are available on SEDAR at [www.sedar.com](http://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.*

SOURCE PROREIT

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<https://proreit.mediaroom.com/2023-05-26-PROREIT-COMPLETES-35-MILLION-BOUGHT-DEAL-PUBLIC-OFFERING-OF-CONVERTIBLE-DEBENTURES>