

PRESS RELEASE

FOR IMMEDIATE RELEASE

May 22, 2020

FRONSAC ANNOUNCES ITS RESULTS FOR THE QUARTER ENDED MARCH 31, 2020 AND MONTHLY DISTRIBUTIONS FOR THE MONTHS OF JULY, AUGUST AND SEPTEMBER 2020

Montreal (Quebec) - (TSX-V: FRO.UN) Fronsac Real Estate Investment Trust ("Fronsac REIT" or "Fronsac") announces its results for the quarter ended March 31st, 2020 and that it will make monthly cash distributions of 0.213¢ per unit, representing 2.555¢ per unit on an annualized basis, on July 31st, August 31st and September 30th, 2020 to unitholders of record on July 15th, August 14th and September 15th, 2020, respectively.

For the quarter ended March 31st, 2020, Fronsac reported recurring funds from operations ("Recurring FFO") per unit of 1.10¢ compared to 0.98¢ per unit for the quarter ended March 31, 2019, an increase of 12%. Recurring FFO was \$1,462,713, an increase of 46% (\$1,000,484 in Q1 2019). During Q1 2020, the Trust's property rental income was \$2,863,606 compared to \$1,999,095 in Q1 2019, an increase of 43%. NOI (Net operating Income) was \$2,198,785 compared to \$1,556,756 in Q1 2019, an increase of 41%. Fronsac recorded a net income attributable to unitholders of \$4,118,476, or 3.10¢ per unit, compared to a net income of \$50,870, or 0.05¢ per unit, in Q1 2019.

Jason Parravano, President and CEO declares: "It is important once again to highlight the growth that we experienced this past quarter. I believe that we are in a great position to weather the storm ahead. We have seen optimism from our tenants as more and more people are out on the road."

The tables below represent other financial highlights as well as the reconciliation from net income to FFO for the periods ended March 31st, 2020 and its comparative period. This information should be read in conjunction with the Consolidated Financials Statements and MD&A for the quarters ended March 31st, 2020 and March 31st, 2019.

SUMMARY OF SELECTED ANNUAL INFORMATION

Periods ended March 31	3 months		Δ	%
	2020	2019		
Financial info				
Property rental income	2,863,606	1,999,095	864,511	43%
Total revenue	2,863,606	1,999,095	864,511	43%
Net income (loss) and comprehensive income (loss)	4,118,476	50,870	4,067,606	7,996%
NOI ⁽¹⁾	2,198,785	1,556,756	642,029	41%
FFO ⁽¹⁾	1,462,713	1,000,484	462,229	46%
Recurring FFO ⁽¹⁾⁽²⁾	1,462,713	1,000,484	462,229	46%
AFFO ⁽¹⁾	1,349,626	970,747	378,879	39%
EBITDA ⁽¹⁾	2,020,860	1,474,163	546,697	37%
Investment properties ⁽³⁾	160,828,581	107,597,405	53,231,176	49%
Total assets	155,220,627	100,749,003	54,471,624	54%
Total mortgage/loans/long term debt ⁽⁴⁾	71,064,054	50,549,310	20,514,744	41%
(including revolving line of credit)	76,887,604	54,979,310	21,908,294	40%
Total convertible debentures	2,985,538	1,580,732	1,404,806	89%
Total equity	71,358,784	41,842,156	29,516,628	71%
Weighted average units o/s - basic	132,966,393	101,606,238	31,360,155	31%
Amounts on a per unit basis				
FFO	0.0110	0.0098	0.0012	12%
Recurring FFO	0.0110	0.0098	0.0012	12%
AFFO	0.0102	0.0096	0.0006	6%
Distributions	0.0064	0.0056	0.0008	14%

⁽¹⁾ See appropriate sections for reconciliation to the closest IFRS measure and section "Explanation of non-IFRS financial measures"

⁽²⁾ Recurring FFO excludes "Other income" items as presented on the Consolidated Financial Statements

⁽³⁾ Includes value of investment properties owned through joint ventures; Refer to Note 4 (Investment Properties) and Note 5 ([1] value of developed properties, [2] leased properties and [3] properties under development) in Fronsac's financial statements

⁽⁴⁾ Excludes convertible debentures

RECONCILIATION OF NET INCOME TO FFO

Periods ended March 31	3 months		Δ
	2020	2019	
Net income attributable to unitholders	4,118,476	50,870	4,067,606
Debt issuance costs	-	-	-
Δ in value of investment properties	(2,377,881)	842,237	(3,220,118)
Δ in value of investment properties in joint ventures	(404,906)	76,151	(481,057)
Unit based compensation	180,000	63,180	116,820
Δ in liability component of convertible debentures	(37,788)	(12,749)	(25,039)
Δ in fair value of derivative financial instruments	(21,900)	(19,205)	(2,695)
Accretion of lease payments	6,712	-	6,712
Income taxes	-	-	-
FFO ⁽¹⁾ - basic	1,462,713	1,000,484	46%
FFO per unit - basic	0.0110	0.0098	12%
Distributions paid on convertible debentures (if dilutive)	-	-	-
FFO - diluted	1,462,713	1,000,484	46%
FFO per unit - diluted	0.0110	0.0098	12%
Recurring FFO ⁽²⁾ - basic	1,462,713	1,000,484	46%
Recurring FFO per unit - basic	0.0110	0.0098	12%
Distributions	875,793	563,825	311,968
Distributions per unit	0.0064	0.0056	14%
FFO - basic after distributions	0.0046	0.0043	0.0003
Recurring FFO - basic after distributions	0.0046	0.0043	0.0003
Distributions as a % of FFO - basic	58%	56%	2%
Distributions as a % of Recurring FFO - basic	58%	56%	2%
Weighted avg. units o/s			
Basic	132,966,393	101,606,238	31,360,155
Diluted	132,966,393	101,606,238	31,360,155

⁽¹⁾ See appropriate sections for reconciliation to the closest IFRS measure and section "Explanation of non-IFRS financial measures"

⁽²⁾ Recurring FFO excludes "Other income" as presented on the Consolidated Financial Statements

About Fronsac - Fronsac Real Estate Investment Trust is an open-ended trust that acquires and owns high quality triple net and management-free commercial real estate properties.

Forward-Looking Statements - This press release contains forward-looking statements and information as defined by applicable securities laws. Fronsac warns the reader that actual events may differ materially from current expectations due to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated in such statements. Among these include the risks related to economic conditions, the risks associated with the local real estate market, the dependence to the financial condition of tenants, the uncertainties related to real estate activities, the changes in interest rates, the availability of financing in the form of debt or equity, the effects related to the adoption of new IFRS standards, as well as other risks and factors described from time to time in the documents filed by Fronsac with securities regulators, including the management report. Fronsac does not update or modify its forward-looking statements even if future events occur or for any other reason, unless required by law or any regulatory authority.

Neither the TSX Venture Exchange Inc., nor its Regulatory Services Provider (as that term is defined in the Policy of the TSX Venture Exchange and its Regulatory Services Provide) accepts any responsibility for the adequacy or accuracy of this release.

The March 31th, 2020 financial statements and management discussion & analysis of Fronsac REIT may be viewed on SEDAR at www.sedar.com

For further information please contact Jason Parravano at (450) 536-5328.