

PRESS RELEASE

FOR IMMEDIATE RELEASE

May 24, 2019

FRONSAC ANNOUNCES ITS RESULTS FOR THE QUARTER ENDED MARCH 31, 2019 AND MONTHLY DISTRIBUTIONS FOR THE MONTHS OF JULY, AUGUST AND SEPTEMBER 2019

Montreal (Quebec) - (TSX-V: FRO.UN) Fronsac Real Estate Investment Trust ("Fronsac REIT" or "Fronsac") announces its results for the quarter ended March 31, 2019 and that it will make monthly cash distributions of 0.185¢ per unit, representing 2.220¢ per unit on an annualized basis, on July 31st, August 30st and September 30th, 2019 to unitholders of record on July 15th, August 15th and September 16th, 2019, respectively.

For the quarter ended March 31st, 2019, Fronsac reported recurring funds from operations ("Recurring FFO") per unit of 0.98¢ compared to 0.91¢ per unit for the quarter ended March 31, 2018, an increase of 8%. Recurring FFO was \$1,000,484, an increase of 29% (\$777,049 in Q1 2018). During Q1 2019, the Trust's property rental income was \$1,999,095 compared to \$1,361,751 in Q1 2018, an increase of 47%. NOI (Net operating Income) was \$1,556,756 compared to \$1,088,893 in Q1 2018, an increase of 43%. Fronsac recorded a net income attributable to unitholders of \$50,870, or 0.05¢ per unit, compared to a net income of \$1,373,354, or 1.60¢ per unit, in Q1 2018.

Jason Parravano President and CEO said: "We are pleased to share with you our results for the 1st quarter of 2019 which demonstrate a per unit growth of 8% in recurring FFO due to our ability to continue to achieve accretive returns from our acquisitions. The focus in the 1st quarter was to secure funds with respect to our private placement, which was successfully completed on May 16th, 2019. We announced yesterday our largest acquisition to date, which was comprised of a Walmart and Tim Hortons property in Lachute, QC. We are happy to have put this new equity to use quickly, as we have in the past. In addition, I would like to announce that Michel Lassonde, the Chairman of the board of trustees, has informed the board that this year will be his last one as trustee and Chairman." Mr. Lassonde commented: "After 12 years as a trustee and Chairman of the board, I have achieved my objectives alongside the co-founders of Fronsac."

The tables below represent other financial highlights as well as the reconciliation from net income to FFO for the periods ended March 31st, 2019 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, 2019 and March 31st, 2018.

SUMMARY OF SELECTED ANNUAL INFORMATION

Periods ended March 31	3 months		Δ	%
	2019	2018		
Financial info				
Property rental income	1,999,095	1,361,751	637,344	47%
Total revenue	1,999,095	1,376,751	622,344	45%
NOI ⁽¹⁾	1,556,756	1,088,893	467,863	43%
FFO ⁽¹⁾	1,000,484	792,049	208,435	26%
Recurring FFO ⁽¹⁾	1,000,484	777,049	223,435	29%
AFFO ⁽¹⁾	970,747	790,780	179,967	23%
EBITDA ⁽¹⁾	1,474,163	1,014,097	460,066	45%
Investment properties ⁽²⁾	107,597,405	77,974,669	29,622,736	38%
Total assets	100,749,003	77,151,567	23,597,436	31%
Total mortgage/loans/long term debt ⁽³⁾	54,979,310	38,529,315	16,449,995	43%
Total convertible debentures	1,580,732	254,714	1,326,018	521%
Total equity	41,842,156	37,690,821	4,151,335	11%
Weighted average units o/s - basic	101,606,238	85,659,099	15,947,139	19%
Amounts on a per unit basis				
FFO	0.0098	0.0092	0.0006	7%
Recurring FFO	0.0098	0.0091	0.0007	8%
AFFO	0.0096	0.0092	0.0004	4%
Distributions	0.0056	0.0050	0.0006	12%

⁽¹⁾ Non-IFRS financial measures

⁽²⁾ Includes value of investment properties owned through joint ventures

⁽³⁾ Excludes convertible debentures

RECONCILIATION OF NET INCOME TO FFO

Periods ended March 31	3 months		Δ
	2018	2017	
Net income (loss) attributable to unitholders	50,870	1,373,354	(1,322,484)
Debt issuance costs	-	-	-
Δ in value of investment properties	842,237	(674,827)	1,517,064
Δ in value of investment properties in joint ventures	76,151	60,489	15,662
Unit based compensation	63,180	41,080	22,100
Δ in liability component of convertible debentures	(12,749)	4,133	(16,882)
Δ in fair value of derivative financial instruments	(19,205)	(12,180)	(7,025)
Income taxes	-	-	-
FFO ⁽¹⁾ - basic	1,000,484	792,049	26%
FFO per unit - basic	0.0098	0.0092	7%
Interest paid on convertible debentures (if dilutive)	-	-	-
FFO - diluted	1,000,484	792,049	26%
FFO per unit - diluted	0.0098	0.0092	7%
Recurring FFO - basic	1,000,484	777,049	29%
Recurring FFO per unit - basic	0.0098	0.0091	8%
Distributions	563,825	431,785	132,040
Distributions per unit	0.0056	0.0050	12%
FFO - basic after distributions	0.0043	0.0042	0.0001
Recurring FFO - basic after distributions	0.0043	0.0040	0.0003
Distributions as a % of FFO - basic	56%	55%	1%
Distributions as a % of Recurring FFO - basic	56%	56%	-
Weighted avg. units o/s			
Basic	101,606,238	85,659,099	15,947,139
Diluted	101,606,238	86,240,494	15,365,744

⁽¹⁾ FFO is a Non-IFRS financial measure

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.

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The March 31st, 2019 financial statements and management discussion & analysis of Fronsac REIT may be viewed on SEDAR at www.sedar.com

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