

## PRESS RELEASE

FOR IMMEDIATE RELEASE

November 13, 2020

### FRONSAC ANNOUNCES THE TERMS OF ITS PUBLIC OFFERING OF UNITS AND PRIVATE PLACEMENT OF CONVERTIBLE DEBENTURES

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**Montreal (Québec) - (TSX-V: FRO.UN)** Fronsac Real Estate Investment Trust (the “REIT” or “Fronsac”) is pleased to announce the terms of its previously announced public offering (the “**Public Offering**”) of units of Fronsac (the “**Units**”) and of its non-brokered private placement (the “**Private Placement**”) of convertible debentures of Fronsac (the “**Convertible Debentures**”).

#### **Public Offering of Units**

Under the Public Offering, the Units will be offered at a price of \$6.50 for gross proceeds of up to \$15.0 million. The Public Offering is being made through a syndicate of agents co-led by Paradigm Capital Inc. and Canaccord Genuity Corp., acting as joint bookrunners, and including Desjardins Securities Inc., Laurentian Bank Securities Inc., Industrial Alliance Securities Inc. and Echelon Wealth Partners Inc. (collectively, the “**Agents**”). The REIT has granted the Agents an option to offer for sale up to an additional \$2.25 million in Units, on the same terms and conditions, exercisable in whole or in part at any time until 30 days after closing, to cover any over-allotments, if any, and for market stabilization purposes. The Public Offering is expected to close on or about November 25, 2020 and is subject to customary conditions, including the entering into of a definitive agency agreement and receipt of all regulatory approvals, including the approval of the TSX Venture Exchange (the “**TSX-V**”). The Units will be offered by way of a short form prospectus to be filed with the securities commissions and other similar regulatory authorities in each of the provinces of Canada.

The Public Offering will be made on a “best efforts” agency basis and is subject to market conditions, and there can be no assurance as to whether or when the Public Offering may be completed, or as to the final size of the Public Offering.

Certain trustees and members of management of the REIT have indicated an interest in purchasing Units as part of the Public Offering.

A copy of the preliminary short form prospectus of the REIT is available under the REIT’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) or may be obtained by contacting the Agents. The REIT’s preliminary short form prospectus is subject to completion or amendment. There will not be any sale or any acceptance of an offer to buy the Units until a receipt for the final short form prospectus has been issued and a copy thereof has been sent to the purchaser.

#### **Private Placement of Convertible Debentures**

The Convertible Debentures will be offered for minimum gross proceeds of \$5.0 million and maximum gross proceeds of approximately \$8.0 million to the REIT. The Convertible Debentures will mature five (5) years

from their date of issuance, will bear an annual interest rate of 6.0% payable semi-annually, and will be convertible into Units at a conversion price of \$8.13 (the "**Conversion Price**"). Fronsac will have the right to redeem the Convertible Debentures on or after the third anniversary of their issuance if the closing price of the Units on the TSX-V is greater than \$8.78 for a period of forty-five (45) consecutive trading days. At any time upon giving 10 days' advance written notice to the holders of the Convertible Debentures, the REIT may force the conversion of the principal amount of the then outstanding Convertible Debentures into Units at the Conversion Price if the closing price of the Units on the TSX-V is greater than \$8.78 for any forty-five (45) consecutive trading days. The Private Placement is expected to close on or about November 20, 2020 and is subject to customary conditions, including the entering into of definitive subscription agreements with investors and receipt of all regulatory approvals, including the approval of the TSX-V. The Convertible Debentures and the Units issuable upon conversion of the Convertible Debentures will be subject to a hold period under applicable Canadian securities laws.

The net proceeds from the Public Offering and the Private Placement will be used as stated in Fronsac's press release dated November 10, 2020.

The securities described herein have not been, nor will they be, registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**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. Such risks, uncertainties and other factors include the risk that the Public Offering and the Private Placement may not be completed on favorable terms or at all, the risk that Fronsac may not be able to obtain all necessary regulatory and stock exchange approvals, including the approval of the TSX-V, the risks related to economic conditions, including the risks related to the impacts of the current Covid-19 pandemic on the REIT's tenants and the real estate market, the risks associated with the local real estate market and real estate activities generally, the risks related to the dependence on the financial condition of tenants, the changes in interest rates, the availability of financing in the form of debt or equity and the effects related to the adoption of new accounting standards, as well as other risks, uncertainties and factors to be described in the preliminary short form prospectus of Fronsac and described from time to time in the documents filed by Fronsac with the securities commissions and similar regulatory authorities, including Fronsac's annual information form and management's discussions and analysis. Fronsac does not intend or undertake to 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 Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts any responsibility for the adequacy or accuracy of this release.**

# FRONSAC

**Fronsac Real Estate Investment Trust**  
**Fiducie de placement immobilier Fronsac**

106 Gun Avenue  
Pointe Claire, Qc, H9R 3X3  
(450) 536-5328  
[www.fronsacreit.com](http://www.fronsacreit.com)

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