

PRESS RELEASE

FOR IMMEDIATE RELEASE

March 26, 2021

FRONSAC ANNOUNCES ACQUISITIONS, A BUSINESS UPDATE, MONTHLY DISTRIBUTIONS FOR Q2 2021 AND ITS RESULTS FOR THE YEAR ENDED DECEMBER 31, 2020

Montreal (Quebec) - (TSX-V: FRO.UN) Fronsac Real Estate Investment Trust ("Fronsac") announces a business update, monthly distributions for the months of April, May and June 2021 and its results for the year ended December 31st, 2020.

ACQUISITIONS

Fronsac is pleased to announce the following five (5) acquisitions:

On March 1st, 2021, the Fronsac closed on an acquisition of a 50% interest in a service station, fast food combo in Pictou, Nova Scotia, leased to Sobeys and McDonald's. The 50% share was acquired for \$2,875,000.

Fronsac has also entered into an agreement to purchase three (3) freestanding Food Basics grocery stores in Hamilton, Keswick and Dunnville, Ontario. The transaction is expected to close during Q2 2021. The purchase price for the 3 properties will be \$8,090,000.

In addition, we will be acquiring a piece of land in April 2021 in Terrebonne, Quebec. In summer 2021 we will begin construction of a freestanding Benny&Co. Fronsac will retain a 40% interest in the joint venture development. Total project costs are estimated to be \$2,200,000.

COLLECTIONS

Collections during Q1 2021 were similar to the Q4 2020, having collected virtually 100% of our rents. In addition, we are proud to say that 100% of deferral arrangements that we entered into at the beginning of the COVID-19 pandemic have been collected.

DISTRIBUTIONS

Fronsac announces that it will make monthly cash distributions of \$0.025 per unit, representing \$0.30 per unit on an annualized basis, on April 30th, May 31st and June 30th, 2021 to unitholders of record on April 15th, May 14th and June 15th, 2021, respectively.

RESULTS

For the quarter ended December 31st, 2020, Fronsac reported recurring funds from operations ("Recurring FFO") per unit of \$0.125 compared to \$0.110 per unit for the quarter ended December 31, 2019, an increase of 13%. Recurring FFO was \$1,977,869, an increase of 53% (\$1,295,716 in Q4 2019). During Q4 2020, the Trust's property rental income was \$3,690,482 compared to \$2,738,295 in Q4 2019, an increase of 35%. Net operating Income was \$2,742,292 compared to \$2,001,059 in Q4 2019, an increase of 37%. Fronsac recorded a net income attributable to unitholders of \$847,652, or \$0.054 per unit, compared to a net loss of \$997,612, or \$0.085 per unit in Q4 2019.

For the twelve-month period ended December 31st, 2020, Fronsac reported Recurring FFO per unit of \$0.487 compared to \$0.414 per unit for the comparable period in 2019, an increase of 18%. Recurring FFO was \$7,117,442, an increase of 54% (\$4,615,394 for the same period in 2019). During the 12-month period ended December 31st, 2020, the Trust's property rental income was \$12,976,848 compared to \$9,388,326 for the same period in 2019, an increase of 38%. Net operating Income was \$9,869,068 compared to \$7,144,022 for the same period in 2019, an increase of 38%. Fronsac recorded a net income attributable to unitholders of \$9,621,177, or \$0.658 per unit, compared to a net income of \$4,081,269, or \$0.366 per unit for the same period in 2019.

Jason Parravano, President and CEO says: "2020 was a year that we will not forget anytime soon. I am proud that given the challenges that exist in the market that we managed to continue to grow our per unit FFO, which has always been our focus. This year is off to a great start and we continue to find opportunities in the market to propel our growth and increase our asset base."

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

SUMMARY OF SELECTED FINANCIAL INFORMATION

Periods ended December 31	12 months		Δ	%
	2020	2019		
Financial info				
Property rental income	12,976,848	9,388,326	3,588,522	38%
Total revenue	12,987,262	9,388,326	3,598,936	38%
Net income (loss) and comprehensive income (loss)	9,621,177	4,081,269	5,539,908	136%
NOI ⁽¹⁾	9,869,068	7,144,022	2,725,046	38%
FFO ⁽¹⁾	7,127,856	4,615,394	2,512,462	54%
Recurring FFO ⁽¹⁾⁽²⁾	7,117,442	4,615,394	2,502,048	54%
AFFO ⁽¹⁾	6,562,370	4,524,363	2,038,007	45%
Adjusted EBITDA ⁽¹⁾	9,918,347	6,672,288	3,246,059	49%
Investment properties	185,991,100	118,503,056	67,488,044	57%
Adjusted investment properties ⁽³⁾	221,711,905	134,376,091	87,335,814	65%
Total assets	209,705,999	129,118,708	80,587,291	62%
Total mortgage/loans/long term debt ⁽⁴⁾ (including revolving line of credit)	107,652,001	60,382,953	47,269,048	78%
Total convertible debentures	8,134,379	3,023,326	5,111,053	169%
Total equity	90,206,351	51,342,040	38,864,311	76%
Weighted average units o/s - basic	14,628,913	11,138,488	3,490,425	31%
Amounts on a per unit basis				
FFO	0.487	0.414	0.073	18%
Recurring FFO	0.487	0.414	0.072	18%
AFFO	0.449	0.406	0.042	10%
Distributions	0.256	0.222	0.034	15%

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

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

(3) Adjusted Investment Properties includes the Trust's proportionate share of value of investment properties owned through joint ventures; Refer to Note 4 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 December 31	3 months			12 months		
	2020	2019	Δ	2020	2019	Δ
Net income (loss) attributable to unitholders	847,652	(997,612)	1,845,264	9,621,177	4,081,269	5,539,908
Debt issuance costs	-	-	-	-	30,660	(30,660)
Δ in value of investment properties	1,951,657	501,678	1,449,979	(309,372)	(1,546,054)	1,236,682
Δ in value of investment properties in joint ventures	(513,351)	427,047	(940,398)	(1,512,138)	583,734	(2,095,872)
Unit based compensation	(912)	78,540	(79,452)	37,492	259,845	(222,353)
Δ fair value adjustments on derivative financial instruments	(337,544)	1,266,418	(1,603,962)	(939,825)	1,158,905	(2,098,730)
Accretion of lease payments	6,991	9,057	(2,066)	27,405	38,395	(10,990)
Income taxes	23,500	10,588	12,912	23,117	8,640	14,477
Realized loss on sale of an investment property	-	-	-	180,000	-	180,000
FFO ⁽¹⁾	1,977,993	1,295,716	53%	7,127,856	4,615,394	54%
FFO per unit	0.125	0.110	13%	0.487	0.414	18%
Other revenues	(124)	-	(124)	(10,414)	-	(10,414)
Recurring FFO ⁽¹⁾	1,977,869	1,295,716	53%	7,117,442	4,615,394	54%
Recurring FFO per unit	0.125	0.110	13%	0.487	0.414	18%
Distributions	998,731	651,590	347,141	3,754,484	2,457,083	1,297,401
Distributions per unit	0.064	0.056	14%	0.256	0.222	15%
FFO per unit - after distributions	0.061	0.055	11%	0.232	0.192	20%
Recurring FFO per unit - after distributions	0.061	0.055	11%	0.231	0.192	20%
Distributions per unit as a % of						
FFO per unit	51%	50%	1%	52%	54%	(2%)
Recurring FFO per unit	51%	50%	1%	53%	54%	(1%)
Weighted avg. units o/s						
Basic	15,794,450	11,740,357	4,054,093	14,628,913	11,138,488	3,490,425

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

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 December 31st, 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.